

CITY OF TORONTO

TREASURY DEPARTMENT



Annual Report

OF THE
COMMISSIONER OF FINANCE

1938

AND

Summaries of the Activities of
Canadian National Exhibition, Royal
Agricultural Winter Fair, Toronto Harbour
Commissioners, Toronto Hydro-Electric System
and Toronto Transportation Commission, etc.

(See Index to above Special Services—Page 47)

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Report of the Commissioner of Finance



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Agricultural Winter Fair, Toronto Harbour
Commissioners, Toronto Hydro-Electric System
and Toronto Transportation Commission, etc.

(See Index to above Special Services—Page 47)

Pres by The City Treasurer



City Hall, Toronto — Erected 1899



CIVIC RECEPTION, TENDERED TO
THEIR GRACIOUS MAJESTIES, KING GEORGE VI AND QUEEN ELIZABETH
AT THE CITY HALL, TORONTO, ON MAY 22nd, 1939

MEMBERS OF THE CITY COUNCIL—1938

MAYOR

RALPH C. DAY, Esq.

BOARD OF CONTROL

HIS WORSHIP THE MAYOR, Chairman

WM. J. WADSWORTH, Vice-Chairman

FRED J. CONBOY

FREDERICK HAMILTON

J. DOUGLAS McNISH

ALDERMEN

WARD 1

FRANK M. JOHNSTON
GORDON J. MILLEN

WARD 5

ERNEST C. BOGART
STEWART SMITH

WARD 2

ADELAIDE M. PLUMPTRE
J. LOUIS SHANNON

WARD 6

GEORGE P. GRANELL
DONALD C. MacGREGOR

WARD 3

PERCY J. QUINN
JOHN S. SIMMONS

WARD 7

GEORGE H. GARDINER
CHARLES ROWNTREE

WARD 4

NATHAN PHILLIPS
JOSEPH B. SALSBERG

WARD 8

ERNEST BRAY
WALTER A. HOWELL

WARD 9

WILLIAM CROFT
WILLIAM G. ELLIS

<div>HEADS OF DEPARTMENTS—1938</div> <div>(Arranged in the order of entering Civic Service)</div>		Entered Civic Service	Years in Civic Service	Appoint- ed Head of Dept.
J. W. SOMERS, O.B.E.....	City Clerk.....	1884	54	1928
C. E. CHAMBERS.....	Commissioner of Parks.....	1889	49	1912
W. GEO. FARLEY.....	Assessment Commissioner.....	1891	47	1929
GEO. SINCLAIR.....	Chief of the Fire Department	1895	43	1930
A. W. LAVER.....	Commissioner of Public Wel- fare.....	1896	42	1931
R. C. HARRIS.....	Commissioner of Works and City Engineer.....	1899	39	1912
K. S. GILLIES.....	Commissioner of Buildings.....	1905	33	1932
C. M. COLQUHOUN, K.C.....	City Solicitor.....	1907	31	1925
	Counsel to the Corporation			1933
G. D. BLAND.....	Property Commissioner.....	1909	29	1935
TRACY D. leMAY, O.L.S.....	City Surveyor.....	1910	28	1930
S. C. SCOTT, C.A.....	City Auditor.....	1912	26	1919
G. P. JACKSON, M.B., D.P.H.....	Medical Officer of Health.....	1915	23	1929
H. D. BRADLEY.....	Street Commissioner.....	1916	22	1935
E. E. HUNT.....	Abattoir Commissioner.....	1916	22	1933
BRIG.-GEN'L. D. C. DRAPER, C.M.G., D.S.O.....	Chief Constable.....	1928	10	1928
GEO. WILSON.....	Commissioner of Finance and City Treasurer.....	1929	9	1929

CITY OF TORONTO
Funded Debt, December 31st, 1938

See Details of Debenture Debt, Pages 36 and 37

GROSS FUNDED DEBT:

Sinking Fund Bonds.....	\$42,278,231	
(Sinking Fund Accumulation, \$28,995,939)		
Serial Instalment Bonds.....	116,277,954	\$158,556,185

DEDUCT:

(1) SPECIALLY-RATED AND REVENUE-PRODUCING DEBTS
AS FOLLOWS:

Toronto Transportation Commission (<i>See Page 58</i>).....	\$23,370,000	
Toronto Hydro-Electric System (<i>See Page 56</i>).....	20,219,640	
Waterworks (<i>See Page 52</i>).....	24,313,332	
Local Improvements (Ratepayers' Share).....	7,599,912	
Canadian National Exhibition Buildings (<i>See Page 48</i>)	2,305,733	
Radial Railways (<i>See Page 53</i>).....	1,883,000	
Royal Agricultural Winter Fair Buildings (<i>See Page 50</i>)	1,205,979	
Abattoir (<i>See Page 51</i>).....	279,918	
Housing Commission (<i>See Page 53</i>).....	135,000	
Island Ferries (under T.T.C. Operation) (<i>See Page 53</i>)....	67,000	

\$81,379,514

Less:

DEBT REDEMPTION FUNDS ON ABOVE DEBTS:

Sinking Funds.....	\$15,584,136	
For Instalment Debt Redemption.....	1,783,601	17,367,737

\$64,011,777

Supporting the Public Utility debts are plants, properties and equipment of value in excess of the debts outstanding.

(2) Sinking Funds (*See Page 45*):

On General and Education Debt.....	\$13,374,664	
On Special Debts.....	15,584,136	
Additional over Actuarial Requirements.....	37,139	28,995,939

(3) Funds on hand for Instalment Debt Redemption 1,783,601 94,791,317

NET GENERAL AND EDUCATION DEBT..... \$ 63,764,868

The City owns lands and buildings of value in excess of Net General and Education Debt, in addition to taxing authority upon assessments totalling \$967,167,858.

ASSESSMENT, ETC.

Assessed Value of Rateable Property (1939) for School purposes.....	\$967,167,858
Assessed Value of Rateable Property (1939) for General purposes.....	895,512,159
Exemptions not included in the foregoing.....	159,476,885
Capital Assets as at December 31st, 1938 (<i>See Balance Sheet, Page 32</i>).....	163,330,140
Revenue from general taxation, 1939, as per Estimates (net).....	31,805,613
Revenue other than taxation, 1939, as per Estimates (including Provincial Government subsidy of 1½ mills on General Assessment).....	6,995,168
Population, 1938.....	647,803
Area of City (Land and Water).....	25,966 acres
Tax Rate for 1939.....	34.75 mills

ANNUAL REPORT

of the

Commissioner of Finance

of the

City of Toronto

1938

Toronto, July 31st, 1939.

His Worship, Mayor Ralph C. Day,
And Members of the Council of the City of Toronto.

Dear Sirs:

I beg to submit the Annual Report and Financial Statements of the Corporation of the City of Toronto for the year ended December 31st, 1938, including copy of the Balance Sheet, bearing Certificate of the City Auditor and Statement of Revenues and Expenditures.

SUMMARY OF YEAR'S BUSINESS			
Expenditure		Revenue	
Common Welfare		Taxation	\$33,130,670
Services	\$34,715,362	Provincial Govern-	
Special Services	4,764,486	ment — Subsidy of	
Surplus—1938	429,917	One Mill on General	
		Assessment	898,797
		Special Services	3,751,896
		Miscellaneous Services	1,889,538
		Reserve for deferred	
		expenditure brought	
		forward from 1937.	22,654
		Surplus brought for-	
		ward from 1937....	216,210
	\$39,909,765		\$39,909,765

Special Services include—Waterworks (p. 52), Toronto Harbour Commissioners (p. 54), Canadian National Exhibition (p. 48), Royal Agricultural Winter Fair (p. 50), Island Ferry Service (p. 53), Municipal Abattoir (p. 51), Toronto Housing Commission (p. 53), and Metropolitan Radial Railway (p. 53).

The surplus incidental to 1938 operations of the City amounted to \$429,917, shown above, and is accounted for by savings in appropriations, \$206,784, and excess revenues, \$223,133, as compared with the estimated amounts in the budget for the year. This surplus indicates close adherence of the Administration to budgetary appropriations and conservative estimating of City revenues.

Reference

City's Borrowing Power

Page 38.

The City's debenture debt, after deducting the debt of certain revenue-producing services and all local improvement debt, is limited by Province of Ontario statute to 12 per cent. of the first \$200,000,000 and 8 per cent of the balance of the assessed value of the City's rateable property. On December 31st, 1938, the statutory debt limitation was \$79,640,973 and the outstanding debt (excluding exempted debt) amounted to \$70,360,713, leaving a borrowing margin of \$9,280,260.

In 1939 the redemptions of non-exempt debt will approximate \$5,300,000 and new debentures will probably be issued to the extent of \$3,400,000. Assuming that the present taxable assessment will not be materially altered, the borrowing margin at the end of 1939, therefore, may be estimated at approximately \$11,200,000.

The Sinking Fund

Page 39.

On December 31st, 1938, the total City debt was as follows:
Sinking Fund Debentures, the major portion of which were
issued prior to 1916 \$ 42,278,231
(Against which Sinking Fund accumulations total
\$28,995,939)
Serial Instalment Debentures, all issued since 1916 116,277,954

Pages 36 & 45.

Page 39.

Pages 36 & 37.

Total City Debt, December 31st, 1938 \$158,556,185
The maturities of the Sinking Fund Debt are as follows:
1940\$8,011,000
1942-1943... 903,033 1948-1949\$25,717,978
1944-1945... 6,191,220 1953 and 1955... 1,455,000

Total
1940-1955
\$42,278,231

The Municipal Act for many years past prescribed a maximum assumed earning rate of 4 per cent. (reduced to 3 per cent. by amendment in 1936), on Sinking Fund investments for the purpose of computing the annual levies for amortization purposes.

Municipal
Act
R.S.O. 1897
c. 223, s.
384 (8) and
1 Edw. VIII
c. 39, s. 21 (1)
1936

The City, however, realizing that the earning power of its Sinking Fund investments could not be determined with exactitude over a term of years, owing to the unavoidable fluctuation of money market rates during the life of its Sinking Fund issues, always set the basic earning rate for Sinking Fund levies at 3 per cent., i.e., 1 per cent. below the then Statutory limit. The soundness of this policy was exemplified during the period 1889-1908 when \$20 Million 3½ per cent. Sinking Fund Debentures were issued. In later years, especially during the period of the Great War—1914-1918—money market rates advanced to as high as 6 per cent., with the result that surplus earnings upon Sinking Fund investments gradually accumulated greatly in excess of actuarial requirements.

During the period 1916-1938 surplus earnings upon Sinking Fund investments totalled \$11,369,157, which, together with accumulated annual levies of \$13,638,773 and unrequired Capital Balances, etc., of \$8,166,312, facilitated redemption of City debt before maturity totalling \$33,768,131 up to the close of 1938.

Owing to present and prospective low interest rates, as a result of the abnormal accumulation of "idle" money, these actuarial surplus earnings will naturally recede, but not yet to a point which is likely to prevent substantial future annual cancellation of City debt before maturity.

The Sinking Fund (Continued)

The benefits already realized (1920-1938) and to be realized (1939-1963) from City debt already cancelled before maturity, may be classified as follows viz.:

Services	Debt Redeemed Before Maturity	Reduction in Debt Charges	
	1919-1938	1920-1938	1939-1963
Affecting Taxation:			
(1) Affecting General Tax Rate: General Services — Parks, Sewers, Bridges, Hospital Building Grants, City's Share of Local Improve- ments, etc.	\$16,883,952	\$ 9,433,602	\$ 6,153,576
Revenue-Producing Services —Waterworks, Exhibition Buildings, Radials, etc....	6,324,542	2,864,629	2,962,824
	\$23,208,494	\$12,298,231	\$ 9,116,400
(2) Affecting Board of Education Tax Rate—Schools	3,681,750	1,476,287	1,660,851
Affecting General and Board of Education Tax Rates	\$26,890,244	\$13,774,518	\$10,777,251
Not Affecting Taxation:			
Toronto Hydro-Electric System, Toronto Transportation Com- mission	5,957,648	3,024,085	2,794,577
Ratepayers' Share of Local Im- provements (levied for)	920,239	.....	.....
Total	\$33,768,131	\$16,798,603	\$13,571,828

Toronto's Contribution to the Housing Problem

On February 10th, 1936, the City Council approved By-law No. 14466, which prescribed in minute detail, the standard of housing and occupancy for the City of Toronto and provided for a thorough survey of existing housing conditions and rehabilitation of sub-standard buildings at a minimum of expense to both owners and taxpayers. This City is the first Municipality to formulate and enforce a By-law of the above nature, the principle of which was recognized and commended by the National Employment Commission and the Dominion Government, as a practical and efficacious method of relieving unemployment and ensuring satisfactory housing conditions.

The administration of the By-law—which was ratified by an Act of the Legislature—is in the hands of a Committee of Departmental Heads consisting of the Commissioners of Buildings (Chairman), City Planning, Assessment, Finance, the City Solicitor and Medical Officer of Health, and the investigation work is carried out by a special staff of Housing Inspectors under the direct supervision of the Chairman.

Since the inception of the By-law, the rehabilitation or demolition of sub-standard dwellings has proceeded steadily in the low-rental residential areas. Up to June 30th, 1939, 9,038 dwellings have been dealt with, and the great majority of landlords and owners have gladly co-operated with the investigating inspectors, availing themselves, if necessary, of the rehabilitation facilities provided by the By-law. If an owner is financially unable to provide the cost of

Reference

Toronto's Contribution to the Housing Problem (Continued)

necessary repairs, the By-law provides that the City may make a loan for that purpose, repayable as taxes, over a period not exceeding ten years. It is, however, gratifying to note that less than 1% of the total of rehabilitation expenditures, \$993,000, already made, has been provided by loans from the City.

The Rehabilitation By-law, involving an average expenditure to date of approximately \$150 against each individual property affected, has undoubtedly obviated, to a considerable extent, the necessity of a low-cost housing programme, which would have involved an expenditure of millions of dollars in the erection of dwellings, and has thereby avoided a material increase in the heavy tax burden now borne by property owners generally.

The following is a Summary of the Committee's Progress Report for the thirty-seven months to June 30th, 1939:

Premises inspected to date	9,038
Owners notified to make repairs	8,212
Premises found satisfactory, with minor exceptions	5,043
Premises on which work is proceeding	2,449
Premises on which work is completed	2,800
Dwellings demolished	749
Approximate cost of work done	\$993,000
Loans sanctioned by City Council (42) totalling	\$ 8,160

The Economic Depression, and its effect upon Civic Finances

The Stock Market crash in the United States in October, 1929, followed by the abandonment of the Gold Standard by Great Britain in 1931, and the Banking debacle of 1933 in the United States, practically paralyzed international trade and brought about the worst world-wide economic depression of this age and generation. The effect upon Canada resulted in a serious shrinkage of industrial activities, stagnation of general business conditions and consequent nation-wide unemployment, which is still the most serious unsolved problem, not only in Canada, but also in the United States.

The slump in Toronto of business generally during the depression period, engendered frequent critical comments from the press and platform, of the apathy of the Civic Administration in restricting expenditures, and their responsibility for "the highest tax rate in the history of the City". Much of such criticism, in my opinion, was unwarranted and unfair in that no consideration was given to certain large uncontrollable factors, which seriously affected the tax rate, for which the Civic Administration was in no way responsible.

With respect to various criticisms of the policy adopted in 1933, of funding the City's net cost of unemployment relief by means of five year Serial Instalment Debentures, the term of funding in later years having been reduced to four years and three years, particular attention is directed to Statement "C" on page 17, which shows clearly that, had not such short term funding policy been adopted, the City's Tax Rate would have increased 7.43 mills during the three year period from 1933 to 1935, instead of having been reduced $\frac{3}{4}$ mill during those three most difficult years of the depression. Statement "C" also shows that approximately 47% (\$6,347,343) of Direct Relief Debentures, issued since 1933 (\$13,661,660), have been paid off up to the close of 1938.

Statements
"D" page 16.
"E" page 17.
"F" page 18.

Statements
Pages 11 & 12.

Statement
"C" page 17.

Reference

The principal uncontrollable factors adversely affecting the City's tax rate during the eight year period, 1931 to 1938, are listed in the following statement.

PRINCIPAL UNCONTROLLABLE FACTORS ADVERSELY AFFECTING
TAX MILL RATES, 1931-1938

Year	Direct Unemployment Relief (Met as Current Expenditure and Debt Charges) See Page 16.	Cost of Sterling and New York Exchange	Hospitalization of Indigents, Old Age Pensions and Mothers' Allowances, Children's Aid Societies, etc. (Statutory)	Loss of Revenue due to Decreased Assessments since 1932 after Allowance for Reimbursement for loss of Municipal Income Tax in 1936, and Subsidies 1937-38 from Ontario Government	Total	Effect on Tax Mill Rate Mills
1931	\$ 849,391	\$1,030,422	\$ 1,971,134	\$	\$ 3,850,947	3.94
1932	746,755	661,869	1,945,115	. . . . .	3,353,739	3.39
1933	12,239	352,046	2,135,573	419,000	2,918,858	2.97
1934	656,467	22,124	2,209,311	1,182,000	4,069,902	4.22
1935	1,390,970	53,445	2,344,487	1,440,000	5,228,902	5.49
1936	2,381,191	60,940	2,375,340	1,651,000	6,468,471	7.04
1937	2,944,444	49,448	(1) 1,785,788	2,077,000	6,856,680	7.50
1938	3,457,232	93,473	(1) 1,459,447	2,213,000	7,223,152	7.93
Total 1931-38	\$12,438,689	\$2,323,767	\$16,226,195	\$8,982,000	\$39,970,651	42.48

NOTE:—(1) Decreases in 1937 and 1938 due to Assumption by Ontario Government of Cost of Old Age Pensions and Mothers' Allowances from April 1st, 1937, and Hospital Care of Tuberculosis Patients from July 1st, 1938.

Prospective reductions in City Debt Charges

Statement "B" page 15.

Statement "B" indicates estimated net reductions of \$2,964,000 (equivalent to approximately three mills in the tax rate) in City Debt Charges—including the Board of Education—during the six year period 1939 to 1944, after allowing for (a) Funding all present capital commitments, (b) Funding on account of Direct Relief 1939-1943 \$3,800,000, and (c) New Capital Expenditures \$3,750,000 during the five-year period 1940-1944.

Comparative Current Expenditures, 1931-1938. Statement "A" pages 13 and 14

Statement "A" page 13 and Explanatory Notes, page 14

The above Statement, and the Explanatory notes respecting same, affords comprehensive information incidental to maintenance and other expenditures of all Civic Departments, Schools, Libraries and Special Services (i.e. Canadian National Exhibition, Royal Agricultural Winter Fair, Toronto Harbour Commissioners, Water Works, etc.) over the eight year period 1931-1938, inclusive.

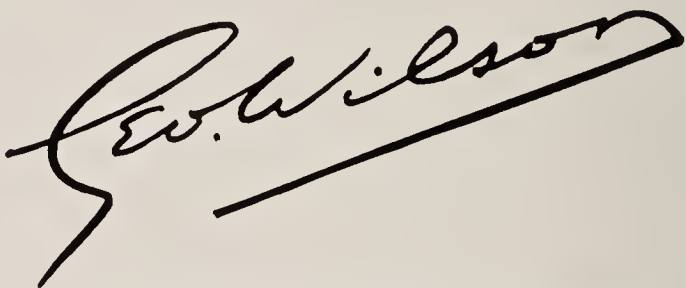
Reference

The table hereunder—compiled from Statement “A”—indicates that Civic Departmental Maintenance Expenditures were reduced by the substantial sum of \$2¼ millions, during the seven year period 1931-1938, for which retrenchment, the Civic Administration should be accorded due credit.

Statement “A”
Pages 13 & 14.

Item No.	See details, Statement “A”	Civic Departmental Maintenance Expenditures		Decrease during 7 year Period
		1931	1938	
1	Administration Depts.	\$ 1,581,919	\$ 1,410,355	\$ 171,564
2-6	Operating Depts.	12,142,067	10,056,103	2,085,964
	Total	\$13,723,986	\$11,466,458	\$ 2,257,528

Respectfully submitted,



COMMISSIONER OF FINANCE.

Item No.	Service	1931	1932	1933	1934	1935	1936	1937	1938	Increase or Decrease, 1938 compared with 1931				Item No.	
										Maintenance, etc.		Debt Charges			
										Increase	Decrease	Increase	Decrease		
1.	Administrative Departments <i>City Council, Assessment, Audit, City Clerk's, Law, Planning, Treasury, Property (General, City Hall and Stewart Bldg.) Departments, etc.</i>	Maintenance, etc. Debt Charges	\$ 1,581,919 7,631	\$ 1,603,319 7,631	\$ 1,402,002 14,969	\$ 1,469,918 15,653	\$ 1,466,338 15,323	\$ 1,460,941 14,992	\$ 1,461,687 15,621	\$ 1,410,355 15,236	\$	\$ 171,564	\$ 15,236	1.	
2.	Operating Departments Health <i>Public Health Services, Isolation Hospital, etc.</i>	Maintenance, etc. Debt Charges	980,802 42,513	920,957 42,588	835,449 41,638	851,205 41,653	872,728 41,610	872,167 41,515	933,511 41,360	921,877 40,549		58,925		2.	
3.	Highways (except Local Improvements) <i>Roadways, Bridges, Subways, Viaduct, Public Lighting and Suburban Roads.</i>	Maintenance, etc. Debt Charges	2,130,205 1,540,920	1,426,901 1,494,761	1,230,901 1,211,582	1,318,373 1,245,014	1,298,047 1,278,828	1,244,265 1,301,532	1,324,098 1,445,825	1,291,930 1,442,165		838,275		3.	
4.	Parks and Recreation	Maintenance, etc. Debt Charges	1,430,509 541,376	1,256,739 511,765	1,001,036 499,171	1,042,427 507,481	1,020,072 532,155	986,115 535,515	1,074,570 568,251	986,211 564,377		444,298		4.	
5.	Protection—(a) General <i>(b) Water Supply for Fire Protection (see Note No. 1 below) Police and Administration of Justice, Fire, Safety of Buildings, etc.</i>	Maintenance, etc. Debt Charges	5,029,675 134,631	5,008,018 153,670	4,656,038 162,569	4,675,684 173,053	4,665,124 172,623	4,563,350 171,803	4,742,510 192,722	4,745,083 170,157		284,592	35,526	5.	
6.	Sanitation and Drainage, except Local Improvements <i>Street Cleaning, Collection and Disposal of Garbage, Sewers, etc.</i>	Maintenance, etc. Debt Charges	2,570,876 644,588	2,319,647 592,570	2,017,767 715,324	2,014,786 792,553	2,051,199 808,916	2,038,260 806,354	2,102,085 805,937	2,111,002 800,430		459,874	155,842	6.	
7.	Social Services <i>(a) Direct Unemployment Relief (b) Hospitalization, Old Age Pensions, Mothers' Allowances, Charitable Grants, etc.</i>	Maintenance, etc. Debt Charges	849,391 112,003	746,755 97,165	12,239 112,892	340,649 111,760	408,924 114,143	955,741 123,601	974,392 145,722	971,376 146,448	121,985		2,485,856	34,445	7.
8.	Local Improvements City's Share—Debt Charges only	Maintenance, etc. Debt Charges	1,899,883 1,525,382	2,224,245 1,148,483	2,376,774 860,291	2,245,793 97,176	2,095,187 91,627	2,005,887 104,060	1,969,487 128,577	1,936,101 130,178		36,218	1,037,181	28,813	8.
9.	Miscellaneous <i>Cost of Foreign Exchange, Interest, Payment to Harbour Commissioners re reclamation and improving certain lands, Property Dept. (Sundry) etc. and sundry unclassified debt charges.</i>	Maintenance, etc. Debt Charges	1,974,169 5,017,279	18,090,002 5,222,111	15,666,367 5,239,433	16,274,910 5,540,405	16,215,500 6,144,891	16,603,682 6,548,200	16,404,724 7,262,555	15,059,125 7,731,497	121,985	8,009,029	2,814,937	100,719	9.
10.	Libraries—Public	Maintenance, etc. Debt Charges	507,225 58,176	507,225 55,511	467,933 52,231	462,091 54,847	466,745 55,319	464,034 54,705	477,140 54,041	486,061 53,338		21,164		4,838	10.
11.	Schools <i>Public, Separate, High, Commercial and Technical Schools</i>	Maintenance, etc. Debt Charges	9,325,787 1,839,483	9,271,524 1,913,166	9,118,060 1,917,901	8,692,972 1,915,830	8,971,357 1,905,444	8,985,782 1,904,164	9,440,580 1,906,166	9,495,572 1,889,764	169,790		50,281		11.
12.	TOTAL COMMON WELFARE EXPENDITURE (Items Nos. 1-12)	Maintenance, etc. Debt Charges	29,579,181 6,914,938	27,868,571 7,188,790	25,252,360 7,209,365	25,429,380 7,511,082	25,650,632 8,105,654	26,055,498 8,504,669	26,322,444 9,223,012	25,040,763 9,674,599	291,775	4,830,193	2,865,218	105,557	12.
13.	Public Service Enterprises and Special Services Abattoir (Municipal)	Maintenance, etc. Debt Charges	105,343 18,748	105,402 18,748	108,294 18,748	108,924 18,771	104,651 19,069	103,808 19,065	96,111 19,055	89,245 17,865		16,098		883	13.
14.	Canadian National Exhibition Buildings	Maintenance, etc. Debt Charges	128,347 282,831	329,570 296,507	208,730 325,017	98,794 321,890	95,021 319,710	97,174 323,760	98,435 322,039	98,410 270,165</					

NOTE 2: See Explanatory Notes re Increases and Decreases on back of this statement
NOTE 3: See pages 24-29 for further details.

EXPLANATORY NOTES RE STATEMENT "A"

The principal factors accounting for the net increase or decrease in expenditures for each service, as a whole, during the seven year period, 1931-1938, are as follows:

Item No.	Service	Maintenance, etc.	Debt Charges (Principal and Interest)
1	Administrative Dep'ts	Net Decrease \$171,564—Over one-half due to reduced expenditures for salaries.	Net Increase \$15,236—Represents 1938 debt charges incidental to reconstruction of Stewart Building.
2	Health	Net Decrease \$68,925—Chiefly due to reduced expenditures for salaries.	
3	Highways (except Local Improvements)	Net Decrease \$838,275—Due to reduced expenditures for snow cleaning and maintenance of roadways, bridges, sidewalks, etc., and policy, adopted 1933, of funding construction costs of suburban roads, under jurisdiction of Toronto and York Roads Commission.	Net Decrease \$98,755—Due to maturity of debenture loans.
4	Parks and Recreation	Net Decrease \$444,298—Due to reduction in maintenance and general improvements for parks (chiefly on account of salaries and wages) and elimination of special Unemployment Relief Works.	Net Increase \$23,001—Due to Unemployment Relief Works funded.
6	Protection		
	(a) General	Net Decrease \$284,502—Over one-half due to reduced expenditures for salaries (chiefly Police Dept.); balance due largely to reductions on account of equipment.	Net Increase \$35,526—Due to Unemployment Relief Works (combined Police and Fire Garage and Repair Shop) and new Firehalls and Police Stations, funded.
	(b) Water Supply Charge for Fire Protection	Net Decrease \$391,640—Basis of charge altered in 1938. Waterworks revenue reduced correspondingly.	
6	Sanitation and Drainage (except Local Improvements)	Net Decrease \$459,874—Chiefly due to reduced expenditures (a) for salaries and wages for street cleaning, refuse collection and disposal, and (b) on account of special items re Sewage Disposal and Street Cleaning Dept.	Net Increase \$155,842—Due to funding of Unemployment Relief Works, New Refuse Disposal Plant and Extension of North Toronto Sewage Disposal Works.
7	Social Services		
	(a) Direct Unemployment Relief (see Statement "C"—Page 16)	Net Increase \$121,985—In 1931 total net cost to City for Relief was \$849,391 met from that year's current revenues. In 1938 total net cost to City was \$2,575,232 of which \$1,100,000 has been funded, \$503,856 will be funded later in 1939 and the balance \$971,376 (an increase of \$121,985 over the total net cost to City in 1931) was met in the 1938 tax rate.	Net Increase \$2,485,856—Represents 1938 debt charges incidental to four and one-half year Serial Instalment Debentures issued 1933-1938 on account of City's Net Cost of Direct Relief. Total debt charges 1933-1938 \$7,191,462 consist of principal \$6,347,843 and interest \$844,119.
	(b) Hospitalization, Old Age Pensions, Mothers' Allowances, Charitable Grants, etc.	Net Decrease \$682,680—Due principally to assumption by Provincial Government of Cost of Old Age Pensions and Mothers' Allowances from April 1st, 1937.	Net Increase \$34,445—Due to Hospital Building Grants funded.

EXPLANATORY NOTES RE STATEMENT "A"—Continued

Item No.	Service	Maintenance, etc.	Debt Charges (Principal and Interest)
8	Local Improvements—City's Share	Debt Charges only.	Net Increase \$36,218—Due to funding for University Avenue Extension, Church Street Extension and Davenport Road Widening.
9	Miscellaneous	Net Decrease \$1,037,181—Due to reduction in Cost of Foreign Exchange. See Text, page 11.	Net Increase \$28,813—Due to Unemployment Relief Works funded.
11	Libraries—Public	Net Decrease \$21,164—Due to reduced expenditures for salaries.	Net Decrease \$4,838—Due to maturity of debenture loans.
12	Schools	Net Increase \$169,790—Due to increased expenditure for High, Commercial and Technical Schools.	Net Increase \$50,281—Due chiefly to funding new High and Technical Schools.
14	Abattoir (Municipal) (See page 51)	Net Decrease \$16,098—Due to reduced expenditure for salaries and wages.	
15	Canadian National Exhibition Buildings (See page 48)	Net Decrease \$29,937—Due to reduction in cost of maintenance of buildings and grounds.	Net Decrease \$12,666—Due to maturity of debenture loans.
16	Housing Commission (See page 53)	Debt Charges only.	Net Decrease \$22,972—Due to Redemption of Debt before Maturity with funds provided by liquidation of "Purchase Agreements".
17	Island Ferry Service (See page 53)	Net Increase \$23,055—Due to increase in operating deficit borne by City.	Net Decrease \$16,092—Due to final payment in 1936 on account of debentures issued in 1926 for acquisition of service. Debt Charges in 1938 are incidental to debt issued in 1936 for purchase of a new ferry boat.
18	Radial Railways (See page 53)	Debt Charges only.	Net Decrease \$51,435—Due to Redemption of Debt before Maturity with funds provided from liquidation of assets.
19	Royal Agricultural Winter Fair Bldgs. (See page 50)	Net Decrease—Minor.	
20	Toronto Harbour Commissioners (See page 54)	Net Decrease \$521,322—The amounts shown are the net debt charges met by the City on Harbour Commissioners' Bonds (i.e., after the application of Harbour Revenues). The decrease is due in part to "calling" for redemption of 4½% debt and reissue of 2½%, 2½%, 3% and 3½% debt and in part to increased revenues of the Harbour Comm'rs.	
21	Waterworks (See page 62)	Net Decrease \$181,000—Due to reduced expenditure (chiefly salaries and wages) for pumping, filtration and distribution of water.	Net Increase \$443,649—Due almost wholly to funding on account of Duplicate Waterworks System.

STATEMENT "B"

**INCREASES OR DECREASES IN DEBT CHARGES AFFECTING TAXATION (INCLUDING
CITY AND BOARD OF EDUCATION) COMPARED WITH PREVIOUS YEAR,
(A) ACTUAL 1929-1938 AND (B) ESTIMATED 1939-1944**

**(Exclusive of Toronto Hydro-Electric System, Toronto Transportation Commission
and Ratepayers' Share of Local Improvements)**

Year	Ordinary	Relief Works	Direct Unemployment Relief	Total	Year
<u>Actual</u>					<u>Actual</u>
1929	\$117,731 Dec.	\$.....	\$.....	\$117,731 Dec.	1929
1930	677,926 Inc.	.....	.....	677,926 Inc.	1930
1931	772,365 "	.....	.....	772,365 "	1931
1932	376,199 "	6,641 Inc.	.....	382,840 "	1932
1933	133,156 "	73,938 "	12,239 Inc.	219,333 "	1933
1934	24,934 Dec.	87,887 Inc.	303,579 Inc.	366,532 Inc.	1934
1935	87,693 "	90,589 "	666,228 "	669,124 "	1935
1936	125,152 "	67,199 "	443,404 "	385,451 "	1936
1937	63,319 "	211,797 "	544,603 "	693,081 "	1937
1938	110,714 "	267 "	515,803 "	405,356 "	1938
<u>Estimated</u>					<u>Estimated</u>
1939	13,000 Inc.	1,000 Dec.	95,000 Inc.	107,000 Inc.	1939
1940	15,000 Dec.	.....	217,000 Dec.	232,000 Dec.	1940
1941	352,000 "	47,000 "	128,000 "	527,000 "	1941
1942	256,000 "	24,000 "	302,000 "	582,000 "	1942
1943	350,000 "	1,000 "	687,000 "	1,038,000 "	1943
1944	100,000 "	.....	592,000 "	692,000 "	1944

Note:—Estimated amounts, 1939-1944, are incidental to—

- (a) All present outstanding debt.
- (b) All present capital commitments.
- (c) Funding on account of Estimated Net Cost to City of Direct Unemployment Relief—
\$1,400,000 of 1939, \$800,000 of 1940, \$700,000 of 1941, \$550,000 of 1942 and \$350,000
of 1943 estimated expenditures.
Assuming that \$600,000 and Administration Costs each year will be met annually in the
respective year's tax rate as a current expenditure.
- (d) New Capital authorizations of \$750,000 each year, 1939-1944.

N.B.—It must be borne in mind, however, that the above **does not** include estimated funding incidental
to the proposed New Sewage Disposal System, street extensions or other major projects.

STATEMENT "C"

CITY C

DIRECT UNEMPLO

Direct Unemployment Relief Expenditures 1930-1938, Net Cost to City, How City's Net Co
each year instead

Year	Gross Direct Relief Expenditures	Dominion and Ontario Governments and Private Contributions	Net Cost to City	How Net Cost to City Financed		
				Met as Current (Including Servicing Charges)	Funded by Serial Instalment Debentures	
					Amount	Term
1930	\$ 466,100	\$ 88,530	\$ 377,570	\$ 377,570	.....	.....
1931	1,509,636	660,245	849,391	849,391	.....	.....
1932	3,018,728	2,271,973	746,755	746,755	.....	.....
1933	6,686,933	4,286,142	2,400,791	.....	2,400,791	5 years
1934	8,873,090	5,688,029	3,185,061	340,649	2,844,412	"
1935	9,983,508	6,381,097	3,602,411	408,924	3,193,487	"
1936	8,765,054	5,625,761	3,139,293	955,741	2,183,552	"
1937	7,194,953	4,785,000	2,409,953	974,391	1,435,562	"
1938	7,524,514	4,949,282	2,575,232	971,376	1,603,856	4 "
	\$54,022,516	\$34,736,059	\$19,286,457	\$5,624,797	\$13,661,660	

Note: Tax Rates 1933-1938 would have been increased 6.69 mills, in aggregate, if pol

STATEMENT "D"

INDEX OF EMPLOYMENT IN JUNE, 1929-1939

(Dominion Bureau of Statistics)

1926 = 100

Month of June	Domin- ion of Canada	Province of Ontario	Province of Quebec	Canadian Cities—Population 100,000 and over						
				Mon- treal	Quebec	Toronto	Ottawa	Hamil- ton	Winni- peg	Van- couver
1929	122.2	126.2	115.9	119.3	122.0	122.1	127.8	133.1	111.5	110.9
1930	116.5	117.8	114.5	116.6	122.3	118.5	130.4	118.0	107.1	110.8
1931	103.6	104.2	104.3	107.1	126.7	110.3	123.4	103.9	98.8	106.9
1932	89.1	89.9	87.8	91.7	105.6	96.8	100.9	84.9	85.2	89.4
1933	80.7	81.6	79.3	80.6	96.8	86.5	91.1	75.6	79.4	81.9
1934	96.6	104.4	90.9	86.3	97.9	93.9	102.4	86.7	81.9	86.3
1935	97.6	101.6	93.8	87.2	95.8	97.9	103.5	93.5	87.0	96.5
1936	102.0	104.7	99.8	93.7	96.8	101.1	108.2	97.6	90.9	103.8
1937	114.3	118.8	113.6	105.2	101.6	108.7	111.8	114.2	96.5	110.8
1938	111.9	112.5	120.4	107.3	103.8	106.7	106.3	106.6	92.8	106.4
1939	113.1	113.6	121.0	108.7	124.2	109.2	109.8	104.6	92.4	109.9

TORONTO
TAX RELIEF, 1930-1938

STATEMENT "C"

financed, Charge in Tax Rate and Effect in Tax Rate if City's Total Net Cost had been levied for
being partially funded.

Charge in Tax Rate					Actual Tax Rate	Increase and Resultant Tax Rate if City's Total Net Cost levied for in respective year's Tax Rate		Year
Current (Including Servicing Charges)	Debt Charges		Total Charge in Tax Rate	Effect in Tax Rate		Increase	Resultant Tax Rate	
	Principal	Interest						
\$	\$	\$	\$	Mills	Mills	Mills	Mills	
377,570	.....	.....	377,570	.40	31.80	.....	31.80	1930
849,391	.....	.....	849,391	.87	33.60	.....	33.60	1931
746,755	.....	.....	746,755	.75	33.90	.....	33.90	1932
.....	.....	12,239	12,239	.01	33.40	2.44	35.84	1933
340,649	201,000	114,818	656,467	.69	33.00	2.65	35.65	1934
408,924	800,378	181,668	1,390,970	1.47	34.15	2.34	36.49	1935
955,741	1,226,965	198,485	2,381,191	2.63	34.85	.83	35.68	1936
974,391	1,799,000	171,053	2,944,444	3.26	35.70	Dec. .59	35.11	1937
971,376	2,320,000	165,856	3,457,232	3.85	36.05	" .98	35.07	1938
\$5,624,797	\$6,347,343	\$844,119	\$12,816,259	13.93		Inc. 6.69		

5 year Serial funding of portion of Cost of Direct Relief had not been adopted in 1933.

STATEMENT "E"

INDICES OF (a) GENERAL BUSINESS, (b) COMMODITY PRICES
AND (c) COST PER WEEK OF FAMILY BUDGETS IN JUNE, 1929-1939

(Dominion Bureau of Statistics)

Month of June	1926 = 100				
	General Business Index			All Canada Index	
	Dominion of Canada	Province of Ontario	Province of Quebec	Cost of	
				Commodity Prices	Family Budget
1929	124.5	132.5	132.2	93.4	98.6
1930	108.0	119.6	129.8	87.7	99.9
1931	89.6	100.5	115.8	71.8	85.5
1932	81.4	81.1	99.1	66.4	75.5
1933	82.2	77.9	97.4	67.5	71.8
1934	95.8	100.3	119.8	72.0	73.5
1935	99.2	102.7	118.6	71.4	74.3
1936	111.1	112.1	127.6	72.3	76.1
1937	126.0	126.2	143.0	84.6	80.1
1938	108.4	111.1	131.9	80.1	81.2
1939	121.4	114.5	142.1	73.3	79.2

STATEMENT "F"

COMPARATIVE STATISTICS, 1930-1938 OF (A) BUILDING PERMITS ISSUED, (B) CUSTOMS AND EXCISE COLLECTIONS, (C) POSTAL RECEIPTS AND (D) BANK DEBITS IN THE CITY OF TORONTO

Year Ended December 31st	Building Permits Issued (City)	Customs and Excise Collections (City)	Postal Receipts (City) Approximate	Bank Debits (City)
1930.....	\$30,095,589	\$49,285,644	\$7,000,849	\$10,654,982,452
1931.....	19,009,985	43,673,141	7,279,917	9,512,342,450
1932.....	6,919,550	42,906,088	6,913,127	8,066,207,006
1933.....	4,282,090	39,632,606	6,432,820	10,221,687,968
1934.....	7,378,772	45,937,694	6,866,186	11,389,321,892
1935.....	9,905,455	46,915,342	6,955,053	10,642,516,427
1936.....	8,114,799	54,408,398	7,498,586	12,168,836,487
1937.....	11,238,900	64,448,989	7,848,134	12,226,885,028
1938.....	8,494,340	58,183,270	7,737,388	10,428,035,428

STATEMENT "G"

CAPITAL AUTHORIZATIONS 1930-1939 AFFECTING GENERAL TAXATION

(Exclusive of Toronto Hydro-Electric System, Toronto Transportation
Commission and Ratepayers' Share of Local Improvements)

Year	General Works	Unemployment Relief		Total
	City's Share Local Improvements, Waterworks, Schools, etc.	City's Share of Relief Works and Services	City's Share of Direct Relief (Expenditure Funded)	
1930	\$11,102,426	\$1,257,424	.....	\$12,359,850
1931	5,342,567	866,116	.....	6,208,683
1932	1,529,933	.....	.....	1,529,933
1933	190,735	940,524	\$2,400,791	3,532,050
1934	650,904	(a) 2,199,819	2,844,412	5,695,135
1935	642,641	.....	3,193,487	3,836,128
1936	867,746	.....	2,183,552	3,051,298
1937	(b) 1,342,239	.....	1,435,562	2,777,801
1938	926,091	.....	(c) 1,603,856	2,529,947
1939	747,590	.....	(d) 1,400,000	2,147,590
Total.....	\$23,342,872	\$5,263,883	\$15,061,660	\$43,668,415

(a) Authorized in December, 1934.

(b) Includes \$986,780 estimated City's Cost of Airports at Toronto Island and Malton (see Harbour Commissioners', page 55).

(c) Includes \$503,856 which will be funded in 1939.

(d) Estimated.

STATEMENT "H"

COMPARATIVE TAX COLLECTIONS DURING YEARS 1930-1938

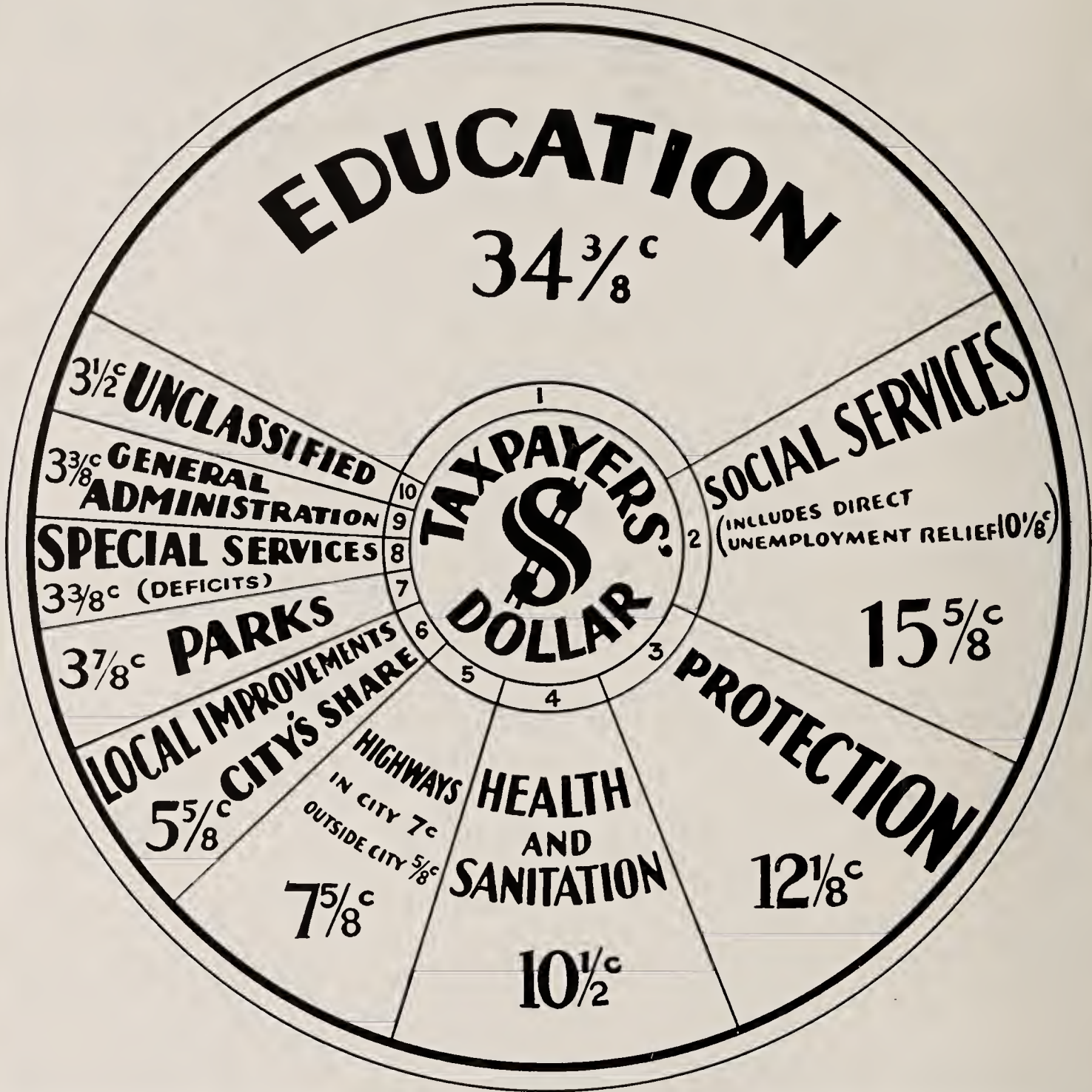
Year	Taxes in Arrears and Current Levy (Including Ratepayers' Share of L. I. Rates)		Tax Rate Public School and Separate School Sup- porters	Collected or Credited During Year to Dec. 31st	Per- centage Col- lected	Amount Outstand- ing as at Dec. 31st	Per- centage Out- standing	Popu- lation	General and Educa- tion Tax Levy Per Capita
		\$	Mills	\$	%	\$	%		\$
1930	Arrears Jan. 1st....	5,496,762	P.S. 31.80	4,176,857	75.98	1,319,905	24.02	621,596	49.68
	Levy for 1930.....	33,634,838	S.S. 36.15	28,435,901	84.54	5,198,937	15.46		
		39,131,600		32,612,758	83.34	6,518,842	16.66		
1931	Arrears Jan. 1st....	6,518,842	P.S. 33.60	4,765,709	73.11	1,753,133	26.89	627,231	53.89
	Levy for 1931.....	36,820,958	S.S. 37.95	30,539,733	82.94	6,281,225	17.06		
		43,339,800		35,305,442	81.46	8,034,358	18.54		
1932	Arrears Jan. 1st....	8,034,358	P.S. 33.90	5,391,052	67.10	2,643,306	32.90	626,674	55.10
	Levy for 1932.....	37,522,157	S.S. 38.50	30,031,297	80.04	7,490,860	19.96		
		45,556,515		35,422,349	77.76	10,134,166	22.24		
1933	Arrears Jan. 1st....	10,134,166	P.S. 33.40	6,309,152	62.26	3,825,014	37.74	623,562	53.92
	Levy for 1933.....	36,378,545	S.S. 37.95	28,138,143	77.35	8,240,402	22.65		
		46,512,711		34,447,295	74.06	12,065,416	25.94		
1934	Arrears Jan. 1st....	12,065,416	P.S. 33.00	8,025,908	66.52	4,039,508	33.48	629,285	51.63
	Levy for 1934.....	34,903,843	S.S. 37.85	27,479,626	78.73	7,424,217	21.27		
		46,969,259		35,505,534	75.59	11,463,725	24.41		
1935	Arrears Jan. 1st....	11,463,725	P.S. 34.15	7,746,393	67.57	3,717,332	32.43	638,271	52.05
	Levy for 1935.....	35,521,338	S.S. 38.65	29,190,281	82.18	6,331,057	17.82		
		46,985,063		36,936,674	78.61	10,048,389	21.39		
1936	Arrears Jan. 1st....	10,048,389	P.S. 34.85	6,707,321	66.75	3,341,068	33.25	645,462	50.56
	Levy for 1936.....	34,618,721	S.S. 39.40	29,075,585	83.99	5,543,136	16.01		
		44,667,110		35,782,906	80.11	8,884,204	19.89		
1937	Arrears Jan. 1st....	8,884,204	P.S. 35.70	6,258,968	70.45	2,625,236	29.55	648,309	51.27
	Levy for 1937.....	35,215,926	S.S. 39.60	30,072,685	85.40	5,143,241	14.60		
		44,100,130		36,331,653	82.38	7,768,477	17.62		
1938	Arrears Jan. 1st....	7,768,477	P.S. 36.05	5,527,887	71.16	2,240,590	28.84	647,803	51.55
	Levy for 1938.....	35,269,096	S.S. 39.95	30,572,911	86.68	4,696,185	13.32		
		43,037,573		36,100,798	83.88	6,936,775	16.12		

COMPARATIVE COLLECTIONS OF ANNUAL TAX LEVIES, 1934-1938
TO END OF JULY OF FOLLOWING YEAR

Tax Levy		Collections		
Year	Amount	To End of July	Amount	%
1934	\$34,903,843	1935	\$31,031,158	88.90%
1935	35,521,338	1936	32,028,938	90.16%
1936	34,618,721	1937	31,734,527	91.66%
1937	35,215,926	1938	32,666,815	92.76%
1938	35,269,096	1939	32,965,870	93.46%

How each \$1.00 of Revenue from General Taxation was Expended in 1938

(Exclusive of Amount Raised by Taxation for Owners' Portion of Cost of Local Improvements)



EXPENDITURE OF THE TAXPAYERS' DOLLAR, 1938
(Covering Maintenance and Debt Charges)

(1) Education	Public, Separate, High, Commercial and Technical Schools.....	\$0.34 ³ / ₈
(2) Social Services	Direct Unemployment Relief (10 ¹ / ₈ c.), Charitable and Institutional Grants, Hospitalization, etc.....	.15 ⁵ / ₈
(3) Protection	Police, Fire, Registry Office, Life Saving and Safety of Buildings, etc.....	.12 ¹ / ₈
(4) Health and Sanitation	Public Health Services, Isolation Hospital, Street Cleaning, Collection and Disposal of Garbage, Sewers, etc.....	.10 ¹ / ₂
(5) Highways	Roadways, Bridges, Subways, Viaduct, Public Lighting and Suburban Roads....	.07 ⁵ / ₈
(6) Local Improvements, City's Share	Debt Charges only.....	.05 ⁵ / ₈
(7) Parks and Recreation	Maintenance and Debt Charges re Parks.....	.03 ⁷ / ₈
(8) Special Services (Deficits)	Harbour Commissioners re Guaranteed Debt (2c.), Exhibition, Royal Winter Fair, Radials, Housing Commission and Island Ferries.....	.03 ³ / ₈
(9) General Administration	City Council; Assessment, Audit, City Clerk's, Law, Planning, Treasury, Property (General, City Hall and Stewart Buildings) Departments, etc.....	.03 ³ / ₈
(10) Unclassified	Cost of Foreign Exchange, Libraries, Interest, etc., and sundry unclassified debt charges.....	.03 ¹ / ₂
		\$1.00

INDEX OF
STATEMENTS RELATING TO REVENUES AND EXPENDITURES,
AND CONSOLIDATED BALANCE SHEET

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Note:—See Current Expenditures (Maintenance, etc., and Debt Charges), 1931-1938, Statement "A", page 13.

CONDENSED STATEMENT OF REVENUE AND EXPENSE

For the Year Ended December 31st, 1938

		Dr.		Cr.
General Expense.....		\$27,298,445.13	Taxation and General Revenue.....	\$39,670,900.73
<u>Debt Charges:</u>				
Interest.....	\$7,649,377.89		Reserve for deferred expenditure brought forward from 1937.....	22,654.00
Serial Debenture payments.....	10,774,577.97			
Sinking Fund payments.....	865,612.92		Surplus brought forward from 1937.....	216,210.55
	\$19,289,568.78			
<u>Less:</u>				
*Charges met by special services not affecting general taxation.....	7,108,165.63	12,181,403.15		
Surplus—1938.....		429,917.00		
		\$39,909,765.28		\$39,909,765.28

Audited and approved,
S. C. SCOTT, C.A.,
City Auditor.

GEO. WILSON,
Commissioner of Finance,
and City Treasurer.

*Toronto Transportation Commission, Toronto Hydro-Electric System and Ratepayers' Share of Local Improvements, etc.

REVENUE FOR YEAR 1938

Summary Classification of Year's Revenue According to Source

Taxation —Yield from tax rates as follows, less provision for uncollectible taxes.....	\$33,130,670
---	--------------

	Tax Rate	Assessment
*General.....	24.50 mills	\$898,065,871
School:		
Public School Supporters.....	11.55 mills	920,876,671
Separate School Supporters.....	15.45 mills	48,809,384

Provincial Government—Subsidy of One Mill on General

Assessment	898,797
-------------------------	---------

Common Welfare Revenue Other Than Taxation:

License, Permit and Inspection Fees.....	\$411,364	
General Rentals.....	399,476	
Sundry Service Fees.....	45,284	
Interest and Penalties—On Overdue Taxes in excess of discount on taxes paid in advance.....	413,364	
Dividend on Stock—Consumers' Gas Company.....	1,500	
Mortgage Tax Revenues.....	13,682	
Administration of Justice—Police and Family Court Fees and Fines.....	275,184	
Municipal Farm—Revenue from Farming Operations	28,404	
Registry Office Revenue.....	2,988	
Audit, Official and Conveyancing Fees.....	11,822	
Miscellaneous and Special Adjustments.....	286,470	
		1,889,538

Revenue from Public Service Enterprises and Special Services:

Waterworks System—Water rates, including City supply and sundry rentals.....	3,322,062
Toronto Housing Commission—Interest re properties sold.....	4,785
Municipal Abattoir—Profit from sales of by-products, killing and cooler charges, cold storage fees, stock yard fees, etc.....	109,104
Canadian National Exhibition—Operating surplus received from the Association; sundry rentals; Ontario Government grant toward cost of New Horse Stables.....	228,321
Royal Agricultural Winter Fair—Dominion and Ontario Government grants covering debt charges on new buildings, rental of building by C.N.E., and sundry rentals.....	87,624

Total Revenue, 1938.....	\$39,670,901
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*Net rate after deducting Provincial Government Subsidy of One Mill on General Assessment.

COMPARATIVE STATEMENT OF CURRENT EXPENDITURES—1931-1938

Classified by Departments

For Details See Page	Item No.	Departments	1938	1937	1936	1931
25	1.	Debt Charges— General (Incl. Direct Relief) Education.....	\$10,291,639 1,889,764	\$ 9,880,920 1,906,416	\$ 9,197,725 1,901,764	\$ 7,242,500 1,839,483
"	2.	Education—Maintenance, etc...	12,181,403	11,787,336	11,099,489	9,081,983
"	3.	At Large—Harbour, Libraries, Exchange, etc.....	9,495,577	9,440,580	8,985,782	9,325,787
"	4.	City Council.....	2,234,714	2,404,615	2,592,499	3,666,841
"	5.	City Clerk's Department.....	166,001	189,336	198,323	315,323
			139,878	147,308	138,494	159,362
26	6.	Treasury Department.....	467,106	477,176	457,886	506,847
"	7.	Assessment Department.....	270,291	276,894	270,904	319,712
"	8.	Court of Revision.....	6,250	6,042	5,313	5,000
"	9.	Law Department.....	72,739	75,378	74,600	87,405
"	10.	Claims Commission.....	7,839	7,437	40,471	8,980
"	11.	Audit Department.....	113,236	109,531	108,190	110,300
"	12.	Telephone Switchboard.....	7,660	7,559	7,293	7,656
"	13.	City Planning and Surveying..	54,665	53,571	52,559	57,671
"	14.	Department of Public Welfare	2,853,911	3,173,383	3,646,539	3,159,405
27	15.	General Courts and Inquests.....	134,924	143,778	133,656	164,267
"	16.	Toronto Family Court.....	38,681	39,842	37,160	39,416
"	17.	Police Department.....	2,339,003	2,318,552	2,216,447	2,512,142
"	18.	Magistrates' Court.....	70,634	68,695	67,032	53,142
"	19.	Fire Department.....	1,556,406	1,563,420	1,535,604	1,650,411
		" " —Water Sup- ply for Fire Protection.....	*161,160	992,800	992,800	992,800
28	20.	Department of Buildings.....	126,051	131,902	132,425	167,311
"	21.	Department of Public Health..	902,063	913,311	999,678	1,056,097
"	22.	Street Cleaning Department....	1,684,245	1,686,382	1,650,569	2,170,162
"	23.	Works Department.....	2,118,482	2,163,677	2,094,016	3,049,613
29	24.	Parks Department.....	1,086,566	1,171,468	1,080,744	1,565,167
"	25.	Municipal Abattoir.....	89,245	96,110	103,808	105,343
"	26.	Property Department.....	1,101,118	1,134,145	1,134,603	1,306,744
		Total.....	\$39,479,848	\$40,580,228	\$39,856,884	\$41,644,887

*Water Supply Charge for Fire Protection reduced in 1938 (basis altered) but Water-works Revenue reduced to same extent. (See Waterworks Revenue and Expense Account, page 52).

See Statement "A", pages 13 and 14.

DETAILS OF CURRENT EXPENDITURES BY DEPARTMENTS

1937 and 1938

	1938	1937
1. Debt Charges:		
General (including Direct Relief).....	\$10,291,639	\$ 9,880,920
Education—Schools.....	1,889,764	1,906,416
Total.....	\$12,181,403	\$11,787,336
2. Education:		
Maintenance, etc.....	\$ 9,495,577	\$ 9,440,580
3. At Large:		
Toronto Harbour Commissioners—Re Guaranteed Bonds.....	\$ 644,930	\$ 828,526
Toronto Harbour Commissioners—Annual Charges re Reclamation Improvements.....	92,588	92,588
Public Library Board.....	486,061	477,140
Exchange re New York and London Funds.....	93,473	49,448
Interest re temporary financing.....	79,344	51,208
Transportation Track Allowance Pavement Repairs.....	73,274	71,495
Life Saving Service.....	70,935	71,365
T.T.C. Settlement—B.L. 14843.....	68,800	89,750
Highways Outside City.....	60,038	51,955
Special Grants re Hospitals.....	44,469	115,100
Island Ferry Service.....	28,015	22,052
Standard Housing—B.L. 14466.....	16,244	14,703
Sundry.....	476,543	469,285
Total.....	\$ 2,234,714	\$ 2,404,615
4. City Council:		
Remuneration of Members—Mayor, Controllers and Alder- men.....	\$ 53,600	\$ 53,600
Salaries—Mayor's Office Staff.....	9,298	8,970
Auto Service—Care of cars, auto hire, etc.....	7,331	13,414
Receptions.....	5,125	10,037
Coronation Celebration.....		13,448
Special Grants—Including membership fees of sundry Muni- cipal Associations.....	69,435	72,808
Miscellaneous and Special Items.....	21,212	17,059
Total.....	\$ 166,001	\$ 189,336
5. City Clerk's Department:		
General Administration.....	\$ 50,204	\$ 52,778
Election Expenses—Preparing and printing voters' lists and general expenses of municipal elections.....	50,636	55,096
Preparing tax collectors' rolls.....	19,860	19,062
Vital Statistics—Registering births, marriages and deaths.....	4,157	4,385
Advertising, printing, stationery and auto service.....	15,021	15,987
Total.....	\$ 139,878	\$ 147,308

Note: See Comparative Statement, 1931-1938—page 24 and Statement "A"—pages 13 and 14.

DETAILS OF CURRENT EXPENDITURES BY DEPARTMENTS—Continued

1937 and 1938

	1938	1937
6. Treasury Department:		
General Administration (General Office).....	\$ 135,908	\$ 138,792
Tax Collection—Billing, collecting, posting rolls, etc.....	183,710	188,438
Waterworks—Service-rating and revenue collection.....	128,992	131,261
License Office.....	18,496	18,685
Total.....	\$ 467,106	\$ 477,176
7. Assessment Department:		
General Administration.....	\$ 270,291	\$ 276,894
8. Court of Revision:		
Salaries.....	\$ 6,250	\$ 6,042
9. Law Department:		
General Administration (including outside counsel fees and judicial costs).....	\$ 72,739	\$ 75,378
10. Claims Commission:		
Damage claims and incidental costs—re damages alleged due to City's negligence.....	\$ 7,839	\$ 7,437
11. Audit Department:		
General Administration.....	\$ 113,236	\$ 109,531
12. Telephone Switchboard:		
Operators' Salaries.....	\$ 7,660	\$ 7,559
13. City Planning and Surveying Department:		
General Administration.....	\$ 54,665	\$ 53,571
14. Department of Public Welfare:		
General Administration.....	\$ 151,720	\$ 143,846
Unemployment Relief—Administration, etc.....	371,376	374,392
Unemployment Relief Direct—Met out of Current Revenue..	600,000	600,000
House of Industry—Maintenance.....	30,525	34,051
Charitable and Institutional Grants.....	141,156	135,424
Children's Aid Societies.....	275,176	280,811
Hospitals (including Out-Patient Clinics).....	1,250,264	1,389,654
*Old Age Pensions.....		58,089
*Mothers' Allowances Commission.....		130,801
Ontario Training Schools.....	26,461	19,200
Houses of Refuge.....	1,625	2,134
Industrial Schools.....	5,608	4,981
Total.....	\$ 2,853,911	\$ 3,173,383

*Assumed by Provincial Government from April 1st, 1937.

DETAILS OF CURRENT EXPENDITURES BY DEPARTMENTS—Continued

1937 and 1938

	1938	1937
15. General Courts and Coroners' Inquests:		
Non-Indictable cases, City and County Joint Administration—Fees, allowances and disbursements to court officers; constables' fees, jurors' fees and sundries (partly recoverable from County).....	\$ 92,376	\$ 91,292
Indictable cases, City and County Joint Administration—Fees, allowances and disbursements to court officers; constables' fees, detectives' accounts, and outside sheriffs' accounts (largely recoverable from Provincial Government).....	54,980	52,738
Crown Witness fees on City cases (one-third recoverable from Provincial Government).....	10,028	15,680
Medical examinations, certificates, etc., and conveying of City prisoners, sheriffs' returns, court crier and sundries....	21,098	19,975
Inquests—Coroners' fees and allowances, jury and witness fees, medical services and sundry expenses, re inquests on City cases (one-half chief coroner's salary and all other coroners' fees, recoverable from Provincial Government)	25,203	27,199
Total.....	\$ 203,685	\$ 206,884
Less: Reimbursement by Province and County.....	68,761	63,106
Net Expenditure.....	\$ 134,924	\$ 143,778
16. Toronto Family Court:		
Salaries of Judge and officers and sundry expenses.....	\$ 38,681	\$ 39,842
17. Police Department: (Total Strength 924)		
Salaries of constables, detectives, matrons, etc.....	\$ 2,147,887	\$ 2,141,355
Clothing, equipment, signal service, mounted police, etc.....	149,653	137 169
Stationery and sundries.....	41,463	40,028
Total.....	\$ 2,339,003	\$ 2,318,552
18. Magistrates' Court:		
Salaries of police magistrates and court clerks and sundries.....	\$ 70,634	\$ 68,695
19. Fire Department: (Total Strength 663)		
Salaries.....	\$ 1,437,720	\$ 1,440,967
Water Supply for Fire Protection.....	*161,160	992,800
Fire Protection—Operation and Maintenance of independent high pressure water supply for fire purposes only.....	36,434	36,475
Upkeep and renewal of equipment, supplies, uniform clothing, etc.....	48 228	49,373
Fuel, light and water for firehalls.....	18,289	19,955
Fire, Public Liability and Marine Insurance and sundries.....	15,735	16,650
Total.....	\$ 1,717,566	\$ 2,556,220

*Basis altered but Waterworks Revenue reduced to same extent. (See Waterworks Revenue and Expense Account, page 52.)

DETAILS OF CURRENT EXPENDITURES BY DEPARTMENTS—Continued

1937 and 1938

		1938	1937
20. <u>Department of Buildings:</u>			
General Administration.....		\$ 126,051	\$ 131,902
21. <u>Department of Public Health:</u>			
General Administration.....		\$ 46,954	\$ 49,066
Medical, Dental and Quarantine Services.....		263,609	261,179
Public Health Nursing.....		248,866	246,747
Laboratory Service.....		30,906	31,527
Isolation Hospital Service.....		139,022	150,020
Food Control.....		64,493	64,146
Sanitation Service.....		88,220	90,856
Dental Clinics, Insulin and Summer Camps.....		19,993	19,770
Total.....		\$ 902,063	\$ 913,311
22. <u>Street Cleaning Department:</u>			
General Administration.....		\$ 64,438	\$ 64,800
Stable, Shop, Plant and Garage.....		230,089	232,940
Street Cleaning—Watering and oiling roads and snow removal.....		347,017	346,165
Refuse Collection.....		793,531	794,473
Refuse Disposal—Maintenance and operation of destruction plants, etc.....		226,179	223,916
Insurance and Workmen's Compensation.....		22,991	24,088
Total.....		\$ 1,684,245	\$ 1,686,382
23. <u>Works Department:</u>			
General maintenance of highways, including snow cleaning, repairs to roadways, sidewalks, bridges, etc.....		\$ 526,059	\$ 545,814
General maintenance of sewers and drainage system and disposal of sewage.....		323,770	315,657
Water supply for drinking fountains, etc.....		14,904	16,111
Insurance, Garage Service, etc.....		29,227	32,201
		\$ 893,960	\$ 909,783
Waterworks Operation and Maintenance:			
Pumping, purifying and distributing water supply.....	\$1,187,619		
Insurance and Workmen's Compensation....	14,974		
Marine Plant—Operation of tugs, derrick and scows.....	21,929		
		1,224,522	1,253,894
Total.....		\$ 2,118,482	\$ 2,163,677

DETAILS OF CURRENT EXPENDITURES BY DEPARTMENTS—Continued

1937 and 1938

	1938	1937
24. Parks Department:		
General Administration.....	\$ 87,033	\$ 87,749
Parks and grounds as park areas—Upkeep and maintenance..	568,259	672,038
Supervised Playgrounds—Supervision of children and upkeep of grounds and apparatus.....	153,582	149,965
Skating rinks and toboggan slides—Cost of flooding and maintaining free skating rinks and toboggan slides.....	88,464	76,665
Forestry Service—Supply and care of trees in street boulevards and in parks.....	65,038	61,384
Insurance and Workmen's Compensation.....	10,933	11,982
	\$ 973,309	\$ 1,059,783
Royal Agricultural Winter Fair Building—General maintenance and insurance.....	14,846	13,250
Canadian National Exhibition—Maintenance of buildings and grounds, and insurance.....	98,411	98,435
Total.....	\$ 1,086,566	\$ 1,171,468
25. Municipal Abattoir:		
Slaughtering for dealers; maintenance of slaughtering accommodation; cold storage warehousing; dealing in by-products; cattle market; insurance, etc.....	\$ 89,245	\$ 96,110
26. Property Department:		
Lighting City Streets and Parks.....	\$ 513,734	\$ 513,120
General Administration.....	77,060	82,069
City Hall Maintenance (includes portion recoverable from County).....	147,169	156,558
General Public Buildings, Markets, Bathing Stations, etc.— Upkeep and supervision.....	98,091	108,098
Stewart Building—Upkeep of building.....	32,054	34,789
Registry Office—Upkeep of building.....	24,323	24,634
Detention Home—Upkeep of building.....	9,357	9,144
Firehalls and Police Stations—Repairs, etc.....	13,428	12,035
Industrial Farm—Maintenance of prisoners and upkeep of buildings (includes amounts recoverable from Province and County).....	123,986	127,028
Jail—Maintenance of prisoners and upkeep of building (includes amounts recoverable from Province and County).....	85,216	84,999
Miscellaneous—Insurance, Workmen's Compensation, etc.....	54,705	51,938
Total.....	\$ 1,179,123	\$ 1,204,412
Less: Reimbursement by Province and County.....	78,005	70,267
Net Expenditure.....	\$ 1,101,118	\$ 1,134,145
Grand Total of Current Expenditures.....	\$39,479,848	\$40,580,228

COMPARATIVE STATEMENT

REVENUE AND EXPENDITURE FOR YEARS 1928-1938

Year	Tax Rate in Mills	Revenue			Expenditure						
		(Exclusive of Reserve for Deferred Expenditure and Previous Year's Surplus, brought forward)			(Exclusive of Reserve for Deferred Expenditure and Deficit if any, carried forward)						
		Taxation	General Other Than Taxation	Special Services	Total Revenue	Common Welfare			Special Services		
						General	Debt Charges	Total Common Welfare Expendi- ture	General	Debt Charges	Total Special Services Expendi- ture
1928	31.80	\$27,707,178	\$2,125,113	\$4,141,763	\$33,974,054	\$23,034,900	\$5,774,572	\$28,809,472	\$2,907,437	\$1,982,039	\$4,889,476
1929	31.50	28,933,595	2,094,445	4,294,067	35,322,107	25,007,368	5,708,212	30,715,580	2,576,263	1,927,643	4,503,906
1930	31.80	30,828,777	1,915,966	4,414,101	37,158,844	26,982,549	6,201,950	33,184,499	2,774,395	2,109,763	4,884,158
1931	33.60	33,577,771	2,367,060	4,449,415	40,394,246	29,579,181	6,914,938	36,494,119	2,983,723	2,167,045	5,150,768
1932	33.90	34,095,462	1,422,346	4,543,869	40,061,677	27,868,751	7,188,790	35,057,541	3,206,998	2,272,944	5,479,942
1933	33.40	33,062,923	1,500,657	4,415,436	38,979,016	25,252,360	7,209,565	32,461,925	3,050,029	2,471,351	5,521,380
1934	33.00	32,087,629	1,755,369	4,420,254	38,263,252	25,429,973	7,511,082	32,941,055	2,723,809	2,531,223	5,255,032
1935	34.15	33,026,584	1,814,865	4,421,491	39,262,940	25,650,652	8,105,654	33,756,306	2,697,223	2,606,594	5,303,817
1936	34.85	*33,644,682	1,827,737	4,631,403	40,103,822	26,053,498	8,504,669	34,558,167	2,703,897	2,594,820	5,298,717
1937	35.70	†33,913,182	1,924,126	4,581,558	40,418,866	26,322,444	9,223,012	35,545,456	2,470,448	2,564,324	5,034,772
1938	36.05	†34,029,467	1,889,538	3,751,896	39,670,901	25,040,763	9,674,599	34,715,362	2,257,682	2,506,804	4,764,486

NOTE: (1) Common Welfare Services, viz.: Police, Fire, Health, Unemployment Relief, Hospitalization, Street Cleaning, Collection and Disposal of Garbage, Sewers, Local Improvements (City's Share), Highways, Parks, Schools, Administration, etc.

(2) Special Services, viz.: Waterworks, Abattoir, Civic Housing, Canadian National Exhibition (Buildings), Harbour Commissioners, Island Ferries, Radial Railways, Royal Agricultural Winter Fair Building.

(3) Toronto Hydro-Electric System, Toronto Transportation System (operated by separate commissions) and Local Improvements (Ratepayers' Share) are not included in this statement.

*1936—Includes \$1,207,152.36 received from Provincial Government in lieu of Municipal Income Tax.

†1937—Includes \$902,700.00 Provincial Government Subsidy of One Mill on General Assessment re abolition of Municipal Income Tax.

‡1938—Includes \$898,797.00 Provincial Government Subsidy of One Mill on General Assessment re abolition of Municipal Income Tax.

CAPITAL EXPENDITURES, 1938

Revenue-Producing and Specially-Rated

Services:

*Local Improvements (Ratepayers' Share)	\$ 58,113	
*Waterworks.....	1,420,097	
		\$1,478,210

Non-Revenue Producing Services:

Highways (Suburban and City).....	407,998	
Hospitals.....	59,805	
Local Improvements (City's Share).....	58,113	
Parks.....	31,070	
Schools.....	293,000	
Sewers.....	4,604	
Toronto Civic Airports—Island and Malton.....	537,003	
Unemployment Relief—Direct.....	1,601,482	
Unemployment Relief—Works:		
Parks Department.....	32,895	3,025,970
		\$4,504,180

NOTE:—Total Capital Expenditure for the year does not correspond with debenture sales for the year due to the fact that financing may be arranged at the commencement, completion or during progress of the work.

*Wholly self-sustaining.

Consolidated Balance Sheet of the CITY

<u>ASSETS</u>		
<u>CURRENT:</u>		
Cash in banks and on hand.....	\$ 363,395.14	
Taxes due and unpaid.....	6,942,499.00	
Accounts Receivable.....	1,649,401.25	
Stores on hand.....	322,105.37	
†Properties for Re-Sale.....	2,216,671.64	
Revenue Accrued but not due.....	417,739.09	
Prepaid Charges.....	87,247.87	
Total Current Assets.....		\$11,999,059.36
<u>CAPITAL:</u>		
*Capital expenditures less amounts written off to extent of debentures redeemed.....	145,964,388.94	
Local Improvements:		
Cost assessed against property owners.....	\$ 7,560,188.40	
Cost assessed against adjacent municipalities.....	50,609.21	
Corporation's Share.....	9,468,608.70	
Cost not yet distributed.....	152,490.77	
	17,231,897.08	
Capital Advances to Toronto Housing Commission..	59,777.55	
Investments, being City of Toronto Debentures and other Securities at book value:		
J. D. O'Connell Picnic Trust Fund \$	7,202.66	
Consumers' Gas Co. Stock.....	20,250.00	
Henry C. Stevens Trust Fund.....	12,749.87	
Town of Leaside Debentures (Debt Settlement).....	33,873.69	
	74,076.22	
Total Capital Assets.....		163,330,139.79
Total Assets.....		\$175,329,199.15

*Land, parks, buildings, waterworks, schools, Toronto Hydro-Electric System, Toronto Transportation System, Abattoir; general highway, sewerage, and waterfront improvements; hospital building grants, outside highways, radials in liquidation and direct unemployment relief.

†(a) Lands purchased on account of street extensions and widenings and other public works in excess of actual requirements for such projects and not included in the capitalized cost thereof, and

(b) Lands acquired at Tax Sales, less reserve.

AUDITOR'S

I have completed the audit of the general books and accounts of the Corporation of the City of Toronto, and that, in my opinion, the above Balance Sheet is drawn up properly so as to disclose the financial position and the explanations given to me.

I have verified, by examination, the securities representing the investments of the Sinking Fund of the officers of the Corporation.

Real Estate, Plant and Equipment and other Capital Assets, except those which are covered by the Balance Sheet.

The City Treasurer holds securities not shown in the Balance Sheet belonging to the Firemen's Fund, by contractors, as guarantee, with a par value of \$28,082.50.

The transactions of the Corporation which have come under my notice are, in my opinion, within the limits of the law.

Towards the end of the year, I sent circular letters to a large number of ratepayers whose taxes were in arrears.

I have not checked the tax rolls completely. I have, however, maintained a continuous examination of the same.

Audit Department. June 1st, 1939.

OF TORONTO as at December 31st, 1938

<u>LIABILITIES</u>		
<u>CURRENT:</u>		
Interest on debenture debt:		
Due January 1st, 1939, and ma-		
tured unrepresented coupons.....	\$1,245,076.60	
Reserve for accruals and advance		
collection on ratepayers' share		
of local improvements.....	1,241,811.10	
		\$2,486,887.70
Accounts Payable.....		3,343,860.85
Temporary Bank Loans.....		5,696,340.02
Trust Funds.....		38,899.73
Unearned Revenue.....		458,216.85
Reserve for Uncollectible Taxes.....		418,745.97
Reserve for Exchange.....		34,000.00
Current Surplus—Available for Appropriation.....		429,917.00
Total Current Liabilities.....		\$12,906,868.12
<u>CAPITAL:</u>		
Debt.....	\$158,612,084.48	
Less: Sinking Fund on hand.....	28,995,938.91	
		129,616,145.57
Treasury Notes—B.L. 14843.....		240,000.00
Toronto Harbour Commissioners—re reclamation		
improvements.....		1,141,805.50
County of York—re interest in Court House.....		84,000.00
Reserves:		
Sinking Fund Reserve.....	\$28,995,938.91	
Instalment Debt Redemption		
Reserve.....	1,783,601.42	
Sundry Reserves.....	560,839.63	
		31,340,379.96
Total Capital Liabilities.....		162,422,331.03
Total Liabilities.....		\$175,329,199.15

Contingent liabilities, not included above, amounting to \$23,227,000.00 represent bonds of the Toronto Harbour Commissioners (\$22,661,000.00) and Toronto Housing Company (\$566,000.00) which have been guaranteed by the City.

Also, City bonds to the extent of \$4,240,196.00 are deposited with the Hydro-Electric Power Commission of Ontario in connection with a proposed electric railway line not now contemplated.

GEO. WILSON,
Commissioner of Finance and City Treasurer.

CERTIFICATE

Toronto as kept by the City Treasurer for the year ended 31st December, 1938, and hereby certify of the Corporation at that date, as shown by the books and according to the best of my information and of the Trust Accounts and sundry general investments, I have verified the cash funds in the control existing debenture or other capital debt and except properties held for resale, are not included in the Widows' and Orphans' Permanent Relief Fund with a book value of \$92,606.37 and others deposited the powers of the Corporation.

were shown on the Rolls as being unpaid. No serious differences were reported to me.

of the system of internal check in the Tax Office and have made a test audit of the cash transactions.

S. C. SCOTT, C.A., City Auditor.



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TORONTO, CANADA, HAS THE FINEST HARBOUR ON THE GREAT LAKES—VIEW FROM CENTRE ISLAND

Courtesy of Toronto Convention and Tourist Assn., Inc.

INDEX OF
STATEMENTS RELATING TO DEBENTURE DEBT
AND ACCUMULATED SINKING FUND

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Note:—See (1) Gross Funded Debt and Net General and Education Debt, December 31st, 1938, page 6.
(2) Increases or Decreases in Debt Charges Affecting Taxation, (a) Actual 1929-1938, and (b) Estimated 1939-1944, Statement "B," page 15.

STATEMENT OF DEBENTURE DEBT

December 31st, 1938

See FUNDED DEBT STATEMENT Page 6 and CONSOLIDATED BALANCE SHEET Page 32

Debt Classification	Original Amount of Outstanding By-laws	Matured Serial Instalment Debt Retired	Redeemed on Account before Maturity See Note "a"	Present Amount of Debt	Accumulated Sinking Fund	Net Debt Dec. 31, 1938	Per Cent of Whole
General:	\$	\$	\$	\$	\$	\$	%
Airports—Municipal.....	500,000.00	.....	.....	500,000.00	.....	500,000.00	.39
City Buildings.....	185,000.00	37,000.00	.....	148,000.00	.....	148,000.00	.11
Firehalls and Equipment.....	1,526,471.85	249,828.85	194,909.68	1,081,733.32	422,849.65	658,883.67	.51
Garbage Disposal.....	869,025.05	224,538.48	4,000.00	640,486.57	.....	640,486.57	.49
Highways—In City.....	18,774,604.00	4,785,900.00	993,430.63	12,995,273.37	2,032,513.58	10,962,759.79	8.46
Highways—Outside City.....	2,486,000.00	960,000.00	14,000.00	1,512,000.00	.....	1,512,000.00	1.17
Hospital and Charitable Grants.....	2,775,335.76	320,000.00	581,495.74	1,873,840.02	602,890.28	1,270,949.74	.98
Hospitals—Municipal.....	572,000.00	253,000.00	12,000.00	307,000.00	.....	307,000.00	.24
Industrial Farms.....	425,076.10	.....	103,856.06	321,220.04	194,775.09	126,444.95	.10
Libraries—Public.....	670,000.00	301,000.00	.....	369,000.00	.....	369,000.00	.29
Local Improvements—City's Share.....	17,235,832.75	7,585,990.01	181,233.14	9,468,608.70	6,888.22	9,461,720.48	7.30
Main Sewers.....	12,678,739.42	2,033,934.03	1,194,556.75	9,450,248.64	2,320,285.19	7,129,963.45	5.50
Markets.....	160,712.22	.....	5,712.22	155,000.00	110,642.38	44,357.62	.03
Miscellaneous.....	1,979,141.55	309,228.72	170,416.88	1,499,495.95	933,170.02	566,325.93	.44
Parks and Playgrounds.....	8,994,788.52	1,573,884.95	799,461.29	6,621,442.28	1,194,458.64	5,426,983.64	4.19
Police Stations.....	492,947.00	55,000.00	11,080.34	426,866.66	119,168.73	307,697.93	.24
Registry Office.....	457,000.00	22,000.00	33,000.00	402,000.00	231,586.35	170,413.65	.13
Unemployment Relief—Direct.....	12,073,791.00	5,247,342.80	68,448.20	6,758,000.00	.....	6,758,000.00	5.22
Total.....	82,856,465.22	23,958,648.74	4,367,600.93	54,530,215.55	8,169,228.13	46,360,987.42	35.79
Additional Sinking Fund Reserve.....	.....	.....	.....	.....	37,139.23	*37,139.23	*.03
Total.....	82,856,465.22	23,958,648.74	4,367,600.93	54,530,215.55	8,206,367.36	46,323,848.19	35.76

*Deduct.

Note "a"—See Page 45 and Text Pages 8 and 9

(Continued on next page)

STATEMENT OF DEBENTURE DEBT (Continued)—December 31st, 1938

Debt Classification	Original Amount of Outstanding By-laws	Matured Serial Instalment Debt Retired	Redeemed on Account before Maturity See Note "a"	Present Amount of Debt	Accumulated Sinking Fund	Net Debt Dec. 31, 1938	Per Cent. of Whole
General: Brought forward from previous page.....	\$ 82,856,465.22	\$ 23,958,648.74	\$ 4,367,600.93	\$ 54,530,215.55	\$ 8,206,367.36	\$ 46,323,848.19	% 35.76
Education:							
Schools—Public.....	18,593,181.14	3,873,657.41	1,348,789.99	13,370,733.74	3,553,867.25	9,816,866.49	7.58
“ High.....	5,551,418.73	1,143,249.61	252,752.49	4,155,416.63	503,800.02	3,651,616.61	2.82
“ Commercial.....	2,574,615.00	544,494.77	260,520.23	1,769,600.00	86,328.06	1,683,271.94	1.30
“ Technical.....	4,349,257.00	776,000.00	222,552.32	3,350,704.68	1,061,440.16	2,289,264.52	1.76
Total.....	31,068,471.87	6,337,401.79	2,084,615.03	22,646,455.05	5,205,435.49	17,441,019.56	13.46
Total General and Education.....	113,924,937.09	30,296,050.53	6,452,215.96	77,176,670.60	13,411,802.85	63,764,867.75	49.22
Revenue-Producing and Specially-							
Rated Debt:							
Abattoir.....	423,296.79	2,771.08	140,608.00	279,917.71	168,161.91	111,755.80	.09
Can. Nat. Exhibition Bldgs.....	3,905,734.00	1,138,440.25	461,560.40	2,305,733.35	295,520.46	2,010,212.89	1.55
Housing Commission.....	864,000.00	703,000.00	26,000.00	135,000.00	.....	135,000.00	.10
Island Ferries.....	82,000.00	15,000.00	.....	67,000.00	.....	67,000.00	.05
Local Improvements — Ratepayers' Share.....	17,303,384.29	9,703,471.91	.....	7,599,912.38	21,461.96	7,578,450.42	5.85
Radial Railways (Metropolitan).....	2,510,000.00	162,468.00	464,532.00	1,883,000.00	1,545,273.68	337,726.32	.26
Royal Agric. Winter Fair Bldgs.....	2,048,000.00	842,021.58	.....	1,205,978.42	.....	1,205,978.42	.93
Toronto Hydro-Electric System.....	33,197,000.00	10,053,110.53	2,924,249.47	20,219,640.00	7,709,152.45	12,510,487.55	9.66
Toronto Transportation Commission.....	41,148,488.00	16,234,000.00	1,544,488.00	23,370,000.00	720,414.05	22,649,585.95	17.48
Waterworks.....	32,299,345.84	4,538,501.41	3,447,512.41	24,313,332.02	5,124,151.55	19,189,180.47	14.81
Total.....	133,781,248.92	43,392,784.76	9,008,950.28	81,379,513.88	15,584,136.06	65,795,377.82	50.78
Grand Total.....	247,706,186.01	73,688,835.29	15,461,166.24	158,556,184.48	28,995,938.91	129,560,245.57	100.00

Note "a" —See page 45 and Text pages 8 and 9

CITY'S BORROWING POWERS

The City's legal debt limitation as shown in Table No. 1 is prescribed by Province of Ontario Statutes and based upon the assessed value of the whole rateable property of the City against which the debt of certain exempted services (see Table No. 2 below) is deducted in calculating the City's total outstanding debt.

In 1889 a Special Act respecting the debenture debt of the City of Toronto authorized the issuance of non-exempt debentures to the extent of 12½% of the first \$100,000,000 of Assessment, and 8% of the excess thereover.

Early in 1936, the Ontario Government abolished the Municipal Income Tax, except on incorporated companies, and substituted a Provincial Income Tax. This legislation automatically eliminated over three-quarters of the City's Municipal Income Tax Assessment and in order to compensate the City for the loss of such assessment in computing the legal debt limitation the Province of Ontario amended the Municipal Act, prescribing the City's legal debt limitation as follows:—12% of the first \$200,000,000 of Assessment and 8% of the excess thereover.

Table 1Statutory Borrowing Margin			
(Based on Assessment for General Purposes)			
December 31st	Legal Debt Limitation	Outstanding Debt (Excluding Exempted Debts)	Statutory Borrowing Margin
1928	\$76,258,170	\$68,359,356	\$ 7,898,814
1929	79,802,669	64,584,950	15,217,719
1930	82,641,732	66,717,858	15,923,874
1931	83,643,413	69,630,512	14,012,901
1932	82,701,392	70,035,896	12,665,496
1933	80,911,019	71,028,474	9,882,545
1934	80,042,001	73,439,647	6,602,354
1935	80,675,018	72,563,236	*8,111,782
1936	80,216,034	74,980,085	5,235,949
1937	79,845,270	72,637,039	7,208,231
1938	79,640,973	70,360,713	9,280,260

*After Provincial legislation enacted to offset reduction in borrowing power caused by abolition of Municipal Income Tax.

Table 2Exempted Debt		
Purpose	Authority	Amount Dec. 31, 1938
Toronto Transportation System	Municipal Act, R.S.O. 1914, Sec. 257, s.s. 2.....	\$23,370,000
Toronto Hydro-Electric System	9 Edw. VII, Ch. 125, s. 8.....	20,219,640
Waterworks.....	52 Vic. Ch. 74, Sec. 12.....	24,313,332
Local Improvements.....	52 Vic. Ch. 74, Sec. 11 and Local Improvement Act, Sec. 40, s.s. 6	17,068,521
Toronto Radial Railways.....	17 Geo. V. Ch. 134, Sec. 3.....	1,883,000
Royal Agric. Winter Fair Bldgs.	17 Geo. V. Ch. 134, Sec. 3.....	1,205,979
Housing.....	10 Geo. V. Ch. 145, Sec. 4, s.s. 2..	135,000
	Total.....	\$88,195,472

See Text, page 8

DEBT MATURITIES

1939-1964

Year	Sinking Fund Bonds	Serial Instalment Bonds	Total
1939.....	\$	\$ 11,220,350	\$ 11,220,350
1940.....	8,011,000	10,671,352	18,682,352
1941.....	.....	9,916,735	9,916,735
1942.....	140,933	8,875,943	9,016,876
1943.....	762,100	7,709,942	8,472,042
1944.....	4,016,374	7,753,359	11,769,733
1945.....	2,174,846	6,793,676	8,968,522
1946.....	.....	6,173,058	6,173,058
1947.....	.....	6,009,491	6,009,491
1948.....	23,837,678	5,963,077	29,800,755
1949.....	1,880,300	6,172,127	8,052,427
1950.....	.....	5,726,673	5,726,673
1951.....	.....	5,475,933	5,475,933
1952.....	.....	3,768,122	3,768,122
1953.....	569,000	2,470,816	3,039,816
1954.....	.....	1,876,100	1,876,100
1955.....	886,000	1,785,200	2,671,200
1956.....	.....	1,749,400	1,749,400
1957.....	.....	1,544,400	1,544,400
1958.....	.....	1,257,600	1,257,600
1959.....	.....	1,156,700	1,156,700
1960.....	.....	825,900	825,900
1961.....	.....	815,000	815,000
1962.....	.....	374,000	374,000
1963.....	.....	130,000	130,000
1964.....	.....	63,000	63,000
	\$ 42,278,231	\$116,277,954	\$158,556,185

DEBENTURES MARKETED IN 1938

Purpose of Issue			Amount
Airports—Municipal.....			\$ 500,000
Highways—in City.....			382,000
Highways—outside City.....			146,000
Hospital Building Grant.....			61,000
Local Improvements—City's Share.....	\$43,668		
Ratepayers' Share.....	32,325		
			75,993
Parks.....			15,000
Schools—Public.....			36,000
Unemployment Relief—Direct.....			1,621,000
			\$2,836,993

**COMPARATIVE COUPON AND COST INTEREST RATES INCIDENTAL TO
CITY DEBENTURES SOLD BY PUBLIC TENDER, 1935-1938**

Year	Serial Instalment Debentures Sold	Terms of Repayment, Coupon Rates and Interest Cost Bases to City							
		4 Years		5 Years		10 Years		20 Years	
		Coupon	Cost Basis	Coupon	Cost Basis	Coupon	Cost Basis	Coupon	Cost Basis
1935	\$2,275,000	.....	.....	2½%	2.18%	.....	.....	.....	.....
1936	6,144,000	.....	.....	2%	1.82%	2½%	2.41%	3%	3.00%
1937	2,438,000	.....	.....	2¼%	2.06%	.....	.....	.....	.....
1938	*2,761,000	2%	1.59%	2%	1.60%	2¼%	2.15%	3%	2.92%

*Sold by Public Tender, December 1st, 1938

DEBENTURES ISSUED AND REDEEMED, RESULTANT DEBT AND DEBT CHARGES 1928-1938

Year	Total Debentures Issued	Total Debentures Redeemed	Annual Increase or Decrease in Debt	Total Debenture Debt	Total Annual Debt Charges	Year
1928						1928
1929	\$11,003,220	\$19,823,234	Dec. \$ 8,820,014	\$175,203,078	\$15,207,449	1929
1930	21,526,353	6,228,406	Inc. 15,297,947	166,383,064	15,089,013	1930
1931	16,213,543	9,855,514	" 6,358,029	181,681,011	16,401,390	1931
1932	17,683,700	10,657,879	" 7,025,821	195,064,861	17,971,837	1932
1933	7,306,395	10,883,655	Dec. 3,577,260	191,487,601	18,044,750	1933
1934	6,171,328	9,111,367	" 2,940,039	188,547,562	18,003,760	1934
1935	2,545,290	10,409,550	" 7,864,260	180,683,302	18,441,400	1935
1936	6,273,504	10,890,396	" 4,616,892	176,066,410	18,579,591	1936
1937	2,533,346	11,174,407	" 8,641,061	167,425,349	19,097,465	1937
1938	2,836,993	11,706,157	" 8,869,164	158,556,185	19,289,568	1938
1928-38	\$94,093,672	\$110,740,565		Dec. \$16,646,893	Inc. \$4,082,119	1928-38

Year	Revenue-Producing Services, etc.—Transportation Com- mission, Hydro-Electric System and Waterworks (all self- sustaining), Ratepayers' Share of Local Improvements, (specially-rated) Exhibition and Winter Fair Buildings, etc.					General Services—Schools, City's Share of Local Improve- ments, Sewers, Parks, Direct Unemployment Relief, Bridges, etc.					Year
	Debentures Issued	Debentures Redeemed	Annual Increase or Decrease in Debt	Debenture Debt	Annual Debt Charges	Debentures Issued	Debentures Redeemed	Annual Increase or Decrease in Debt	Debenture Debt	Annual Debt Charges	
1928				\$102,818,881	\$ 9,432,878				\$72,384,197	\$ 5,774,571	1928
1929	\$ 6,107,766	\$ 8,506,038	Dec. \$2,398,272	100,420,609	9,380,801	\$ 4,895,454	\$11,317,196	Dec. \$6,421,742	65,962,455	5,708,212	1929
1930	10,645,124	3,949,885	Inc. 6,695,239	107,115,848	10,199,440	10,881,229	2,278,521	Inc. 8,602,708	74,565,163	6,201,950	1930
1931	8,842,096	6,016,170	" 2,825,926	109,941,774	10,488,908	7,371,447	3,839,344	" 3,532,103	78,097,266	6,914,937	1931
1932	9,202,294	6,741,259	" 2,461,035	112,402,809	10,783,047	8,481,406	3,916,620	" 4,564,786	82,662,052	7,188,790	1932
1933	2,504,333	6,543,969	Dec. 4,039,636	108,363,173	10,835,185	4,802,062	4,339,686	" 462,376	83,124,428	7,209,565	1933
1934	1,498,350	5,746,941	" 4,248,591	104,114,582	10,492,678	4,672,978	3,364,426	" 1,308,552	84,432,980	7,511,082	1934
1935	235,828	6,101,359	" 5,865,531	98,249,051	10,335,746	2,309,462	4,308,191	Dec. 1,998,729	82,434,251	8,105,654	1935
1936	243,174	6,240,435	" 5,997,261	92,251,790	10,074,922	6,030,330	4,649,961	Inc. 1,380,369	83,814,620	7,504,669	1936
1937	61,268	5,373,776	" 5,312,508	86,939,282	9,874,454	2,472,078	5,800,631	Dec. 3,328,553	80,486,067	9,223,011	1937
1938	32,325	5,592,093	" 5,559,768	81,379,514	9,614,970	2,804,668	6,114,064	" 3,309,396	77,176,671	9,674,598	1938
1928-38	\$39,372,558	\$60,811,925		\$21,439,367 (Decrease)	\$ 182,092 (Increase)	\$54,721,114	\$49,928,640		\$ 4,792,474 (Increase)	\$ 3,900,027 (Increase)	1928-38

GROSS FUNDED DEBT, 1928 AND 1938

Service	1928	1938	% of Inc. or Dec. 1928-1938	
Education:				
Schools—Public.....	\$16,069,864	\$13,370,734	Dec.	17%
“ High and Collegiate Institutes.....	3,714,566	4,155,416	Inc.	12%
“ Technical.....	2,384,802	3,350,705	“	41%
“ High of Commerce and Commercial Div. Northern Vocational.....	1,867,284	1,769,600	Dec.	5%
“ Industrial.....	43,207		Dec.	.....
	\$24,079,723	\$22,646,455	Dec.	6%
General:				
Airports—Municipal.....	\$.....	\$ 500,000	Inc.	.....
City and County Buildings.....	1,824,079	148,000	Dec.	92%
Firehalls and Equipment.....	898,095	1,081,733	Inc.	20%
Garbage Disposal Plants.....	336,500	640,487	“	90%
Highways (Viaduct, Bridges, Subways).....	14,878,865	13,152,273	Dec.	12%
Suburban Roads (Statutory).....	1,073,000	1,355,000	Inc.	26%
Hospital and Charitable Grants.....	2,400,870	1,873,840	Dec.	22%
Hospitals—Municipal (Reception and Isolation).....	611,000	307,000	“	50%
Industrial Farms.....	421,920	321,220	“	24%
Libraries—Public.....	353,923	369,000	Inc.	4%
Local Improvements—(City's Share).....	6,027,887	9,468,609	“	57%
Main Sewers (incl. N. Toronto Disposal Plant).....	8,665,066	9,450,249	“	9%
Markets (St. Lawrence and Cattle Market).....	426,876	155,000	Dec.	64%
Miscellaneous.....	4,061,264	1,499,496	“	63%
Parks and Playgrounds.....	5,573,074	6,621,442	Inc.	19%
Police Stations.....	258,055	426,867	“	65%
Registry Office Bldg. (Deeds and Mortgages).....	494,000	402,000	Dec.	19%
Unemployment Relief—Direct.....		6,758,000	Inc.	.....
	\$48,304,474	\$54,530,216	Inc.	13%
Special Services Affecting General Taxation:				
Abattoir, Municipal.....	\$ 374,000	\$ 279,918	Dec.	25%
Canadian National Exhibition Buildings.....	1,921,522	2,305,733	Inc.	20%
Housing Commission.....	632,000	135,000	Dec.	79%
Island Ferries (under T.T.C. Operation).....	169,000	67,000	“	60%
Radial Railways (Metropolitan Division).....	2,482,019	1,883,000	“	24%
Royal Agricultural Winter Fair Buildings.....	1,126,000	1,205,979	Inc.	7%
Waterworks (includes Duplicate System).....	20,479,027	24,313,332	“	19%
	\$27,183,568	\$30,189,962	Inc.	11%
Total Affecting General Taxation.....	\$99,567,765	\$107,366,633	Inc.	8%
Self-Sustaining Services not Affecting General Taxation:				
Local Improvements—Ratepayers' Share.....	\$10,474,650	\$ 7,599,912	Dec.	27%
Toronto Hydro-Electric System.....	25,454,115	20,219,640	“	21%
Toronto Transportation System.....	39,706,548	23,370,000	“	41%
	\$75,635,313	\$51,189,552	Dec.	32%
Total Gross Debenture Debt.....	\$175,203,078	\$158,556,185	Dec.	10%

DEBT CHARGES—1928 AND 1938

Service	1928	1938	% of Inc. or Dec. 1928-1938
Education:			
Schools—Public.....	\$ 1,061,389	\$ 1,110,375	Inc. 5%
“ High and Collegiate Institutes.....	236,321	342,241	“ 45%
“ Technical.....	151,532	291,016	“ 92%
“ High of Commerce and Commercial Div. Northern Vocational.....	101,625	146,132	“ 44%
“ Industrial.....	2,108		Dec.
	\$1,552,975	\$1,889,764	Inc. 22%
General:			
Airports—Municipal.....	\$.....	\$ 675	Inc.
City and County Buildings.....	93,706	15,236	Dec. 84%
Firehalls and Equipment.....	51,787	86,483	Inc. 67%
Garbage Disposal Plants.....	33,955	72,735	“ 114%
Highways (Viaduct, Bridges, Subways).....	1,182,156	1,279,854	“ 8%
Suburban Roads (Statutory).....	92,811	162,311	“ 75%
Hospital and Charitable Grants.....	150,400	146,448	Dec. 3%
Hospitals—Municipal (Reception and Isolation).....	52,237	40,549	“ 22%
Industrial Farms.....	26,077	20,298	“ 22%
Libraries—Public.....	24,730	53,338	Inc. 116%
*Local Improvements (City's Share).....	1,036,583	1,727,524	“ 67%
Main Sewers (Incl. N. Toronto Disposal Plant).....	549,279	727,695	“ 32%
Markets (St. Lawrence and Cattle Market).....	23,604	8,641	Dec. 63%
Miscellaneous.....	229,180	120,862	“ 47%
Parks and Playgrounds.....	495,011	564,377	Inc. 14%
Police Stations.....	14,498	34,332	“ 137%
Registry Office Bldg. (Deeds and Mortgages).....	36,268	29,044	Dec. 20%
Unemployment Relief—Direct.....		2,485,856	Inc.
	\$ 4,092,282	\$ 7,576,258	Inc. 85%
*Add—Ratepayers' Share of Local Improvement Rates on exempt and City-owned property. (See † below.)	129,314	208,576	“ 61%
	\$ 4,221,596	\$ 7,784,834	Inc. 84%
Special Services Affecting General Taxation:			
Abattoir, Municipal.....	\$ 23,056	\$ 17,865	Dec. 23%
Canadian National Exhibition Buildings.....	177,364	270,165	Inc. 52%
Housing Commission.....	74,495	73,935	Dec. 1%
Island Ferries (under T.T.C. Operation).....	25,243	9,758	“ 61%
Radial Railways (Metropolitan Division).....	364,732	219,919	“ 40%
Royal Agricultural Winter Fair Buildings.....	85,445	155,348	Inc. 82%
Waterworks (Includes Duplicate System).....	1,264,117	1,821,712	“ 44%
	\$ 2,014,452	\$ 2,568,702	Inc. 28%
Total Affecting General Taxation.....	\$ 7,789,023	\$12,243,300	Inc. 57%
Self-Sustaining Services not Affecting General Taxation:			
†Local Improvements—Ratepayers' Share.....	\$ 2,120,858	\$ 1,959,055	Dec. 8%
Toronto Hydro-Electric System.....	2,171,634	2,421,411	Inc. 12%
Toronto Transportation System.....	3,185,248	2,874,378	Dec. 10%
	\$ 7,477,740	\$ 7,254,844	Dec. 3%
†Less—Ratepayers' Share of Local Improvement Rates on exempt and City-owned property. (See * above.)	129,314	208,576	Inc. 61%
	\$ 7,348,426	\$ 7,046,268	Dec. 4%
Total Debt Charges.....	\$15,137,449	\$19,289,568	Inc. 27%

**COMPARATIVE STATISTICS OF
POPULATION, ASSESSMENT AND NET DEBT, 1928-1938.**

Year	Population		Total Assessment			(1) Net General and Education Debt			(2) Total Net Debt		
	Num-ber	Increase or Decrease	Amount	Increase or Decrease	Per Capita	Amount	Increase or Decrease	Per Capita	Amount	Increase or Decrease	Per Capita
1928	585,628	Inc. 2.76%	\$922,717,572	Inc. 1.53%	\$1,576	\$54,817,713	Dec. .34%	\$93.61	\$145,419,810	Dec. 2.37%	\$248.31
1929	606,370	" 3.54%	967,371,437	" 4.84%	1,595	55,856,405	Inc. 1.89%	92.12	145,258,837	" .11%	239.55
1930	621,596	" 2.51%	1,011,970,429	" 4.61%	1,628	63,357,141	" 13.43%	101.93	158,394,534	Inc. 9.04%	254.82
1931	627,231	" .91%	1,048,377,649	" 3.60%	1,671	67,251,485	" 6.15%	107.22	165,072,053	" 4.22%	263.18
1932	626,674	Dec. .09%	1,061,652,753	" 1.27%	1,694	72,070,203	" 7.17%	115.00	172,000,062	" 4.20%	274.46
1933	623,562	" .50%	1,048,279,655	Dec. 1.26%	1,681	72,371,922	" .42%	116.06	168,019,344	Dec. 2.31%	269.45
1934	629,285	Inc. .92%	1,026,062,674	" 2.12%	1,631	73,172,223	" 1.11%	116.28	163,896,196	" 2.45%	260.45
1935	638,271	" 1.43%	1,018,607,472	" .73%	1,596	70,566,477	Dec. 3.56%	110.56	154,887,143	" 5.50%	242.67
1936	645,462	" 1.13%	977,127,178	" (3)4.07%	1,514	71,371,055	Inc. 1.14%	110.57	149,716,860	" 3.34%	231.95
1937	648,309	" .44%	973,734,167	" .35%	1,502	67,544,938	Dec. 5.36%	104.19	139,686,541	" 6.70%	215.46
1938	647,803	Dec. .08%	970,032,667	" .38%	1,497	63,764,868	" 5.60%	98.43	129,560,246	" 7.25%	200.00
1928-38	Increase	10.62%	Increase	5.13%	Dec. 5.01%	Increase	16.32%	Inc. 5.15%	Decrease	10.91%	Dec. 19.46%

(1) Net General and Education Debt is computed by deducting from Gross Funded Debt (a) The net debt of Specially-rated and Revenue-producing Services and (b) All Sinking Funds (see page 6).

(2) Total Net Debt is computed by deducting all Sinking Funds from Total Funded Debt.

(3) The large reduction in Assessment in 1936 is accounted for as follows:

Due to abolition of Municipal Income Tax.....	\$35,269,406	—	3.46%
Due to general conditions.....	6,210,888	—	.61%
Total Reduction in 1936.....	\$41,480,294	—	4.07%

STATEMENT OF OPERATIONS OF SINKING FUND
FOR YEAR ENDED DECEMBER 31st, 1938

Particulars	Total Sinking Fund	Actuarial Sinking Fund	Additional Sinking Fund (over Actu- arial Re- quirements)
Balance at December 31st, 1937.....	\$27,738,808.66	\$27,699,937.14	\$38,871.52
Add—Accretions during year:			
Annual levies.....	865,612.92	865,612.92	.....
Earnings on investments.....	1,201,037.42	858,535.73	342,501.69
	2,066,650.34	1,724,148.65	342,501.69
Total.....	\$29,805,459.00	\$29,424,085.79	\$381,373.21
Deduct—Dispositions during year:			
Debentures redeemed at maturity.....	5,055.00	5,055.00	.....
Debentures redeemed			
before maturity.....	\$891,115.46		
Premium.....	60,798.05		
	\$951,913.51		
Less: Unexpended Capital			
Balances, etc.....	147,448.42	804,465.09	460,231.11
		809,520.09	465,286.11
Balance at December 31st, 1938.....	\$28,995,938.91	\$28,958,799.68	\$37,139.23

BALANCE SHEET OF SINKING FUND AS AT DECEMBER 31st, 1938

ASSETS		LIABILITIES	
Debentures:		Accumulated Sinking Fund,	
City of Toronto.....	\$27,869,193.49	actuarially determined to	
Province of Ontario.....	647,159.41	redeem at maturity the	
Cash in Banks.....	97,786.85	City's entire Sinking	
Accrued interest on in-		Fund Debt.....	\$28,958,799.68
vestments.....	381,799.16	Balance: Additional Sink-	
		ing Fund (over actuarial	
		requirements).....	37,139.23
	\$28,995,938.91		\$28,995,938.91

Treasury Department,
March 24th, 1939.

GEO. WILSON,
City Treasurer.

I have completed the audit of the Books and Accounts of the Sinking Fund of the City of Toronto for the year ended December 31st, 1938, and certify that the attached Balance Sheet and Statement of Operations are, in my opinion, drawn up properly so as to disclose the financial position of the Fund as shown by the Books as at December 31st, 1938, and according to the best of the information and explanations given to me.

I have verified the Securities by inspection, and the Bank Balances by certificate from the Bank.

Department of Audit,
May 3rd, 1939.

S. C. SCOTT, C.A.,
City Auditor.



SCENES WITHIN THE GROUNDS
OF THE
**CANADIAN NATIONAL
EXHIBITION**

The Band-Shell

Installed in 1936; Regatta Course
inside the Breakwater, and Lake
Ontario beyond.

The Rose Garden

Centrally located, which reaches
its full beauty during the Exhibition
period.



United Kingdom Pavilion

Remodelled for the British Department of Overseas Trade exhibit in 1938, which indicated the huge development of British Empire transportation facilities, by land, sea and air. In 1939, this building will be renamed "The International Pavilion", in which all exhibits of Foreign Governments will be housed.

INDEX OF SPECIAL SERVICES

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CANADIAN NATIONAL EXHIBITION ASSOCIATION

GEORGE BRIGDEN—PRESIDENT 1938-39

ELWOOD A. HUGHES—GENERAL MANAGER

Appointed—April 15th, 1934

T. GORDON DALGLISH—SECRETARY-TREASURER

Appointed—April 15th, 1934



In 1938 the Canadian National Exhibition celebrated its Diamond Jubilee, climaxing sixty years of uninterrupted progress. Originally, a purely provincial fair entitled, "The Toronto Industrial Exposition," is now known far and wide as the world's largest annual exposition.

The Canadian National Exhibition is located in Exhibition Park, which consists of 350 acres within the City limits, with a waterfront extending for a mile and a half along the shore of Lake Ontario.

Ten miles of paved roads connect the permanent buildings, which, together with plant and equipment, are valued at over twenty-one million dollars. Special mention might be made of "The Coliseum," and the adjoining million dollar Horse Palace, which have a total floor space of 24½ acres, affording accommodation for 1,200 horses, 2,000 cattle, 2,000 sheep and 1,500 swine. The Coliseum arena has a seating capacity of seven thousand and the show ring is 230 feet long by 102 feet wide.

Diversification of attractions of the Exhibition is evidenced by the provision of 9.6 acres for field and track sports within a half-mile track, which is faced by a steel and concrete grandstand having a seating capacity of 16,800. During the period of the Exhibition, afternoon and evening performances are given before the grandstand on an outdoor stage, approximately 275' x 65', featuring as the main event at the evening performance, pageantry of a national character on an elaborate scale. Each evening performance combines with an unexcelled display of fireworks.

In 1938, a comprehensive plan of renovating and modernizing the principal Exhibition buildings was undertaken, the principal immediate result being "The United Kingdom Pavilion," one of the most handsome buildings in the Exhibition grounds. (See Photograph, page 46.)

The number of entries in 1938 in the various sections of the Agricultural department compared favourably with the entries of other years; in most cases, a substantial increase being shown. Principal exhibits and entries: Agricultural Industries, 1,946; Dairy Products, 496; Horses (Breeding), 969; Horses (Harness), 1,030; Cattle, 1,527; Sheep, 936; Swine, 543; Poultry and Pet Stock, 4,978.

The Manufacturers' department, with 1,051 exhibits, also maintained the growth and expansion so noticeable in recent years, while the thousands of entries in the numerous other departments exceeded all expectations both in number and in quality of workmanship.

Each year the international character of the Exhibition is becoming more pronounced with increased participation of Empire and foreign governments. These included Poland, Holland, Finland, Italy, Czechoslovakia, United States, South Africa, Australia, New Zealand, British West Indies, India, Great Britain and others.

In 1938 the Exhibition had total receipts of \$879,266, distributed \$87,082 in prizes, and had an attendance of 1,656,000. On a previous occasion—in 1928—the attendance totalled two millions, with 260,000 attending in one day.

The Canadian National Exhibition Association is composed of representatives of every branch of agriculture, commerce and industry throughout Canada; while the City is represented on the Board of Directors by the Mayor and seven members of the City Council.

Exhibition Park is under the supervision of the City Parks Department and is available for ordinary recreational activities except for two weeks preceding and also during the Exhibition, which is held about the last week in August and the first week in September.

All Capital Expenditures, after approval by the City Council, are financed by the issue of City of Toronto debentures and the annual operating surplus is paid to the City, thereby reducing the incidental debt charges to be met from taxation. (Note "City's Account" re C.N.E. on next page.)

CANADIAN NATIONAL EXHIBITION—CITY'S ACCOUNT

(Not including Royal Agricultural Winter Fair Buildings, See Page 50)

For the Year Ended December 31st, 1938

	Dr.		Cr.
Maintenance of Buildings and Grounds (Includes \$36,422.35— 50% of cost of maintenance of Exhibition Grounds.....)	\$ 98,411.13	Operating Surplus paid to City.....	\$200,790.79
Debt Charges:		Province of Ontario—	
Met by City (or from operating surplus received from C.N.E.).....	\$243,864.83	Annual Grant towards debt charges on Horse Building.....	26,300.00
Met by Provincial Government (See Contra).....	26,300.00	Sundry Rentals.....	1,229.87
	270,164.83	Net Cost to City for 1938 (See Note).....	140,255.30
	\$368,575.96		\$368,575.96

Note:—The above statement does not include any charge for interest on the Capital value of the Exhibition Grounds but includes 50% of the cost of their maintenance and upkeep.

The net cost to the City of \$140,255.30 is a reasonable amount to pay for “good-will” and widespread publicity derived by the City from our great annual Canadian National Exhibition.

FUNDED DEBT—December 31st, 1938

Gross Funded Debt incidental to Exhibition Buildings, etc.....	\$2,305,733.35
Less: Sinking Fund on hand for redemption of debt.....	295,520.46
Net Funded Debt.....	\$2,010,212.89

ROYAL AGRICULTURAL WINTER FAIR ASSOCIATION

GORDON F. PERRY, ESQ.—PRESIDENT, 1939. F. C. FLETCHER, ESQ.—VICE-PRESIDENT
WILLIAM ARTHUR DRYDEN (President 1919-1923)—MANAGER
Appointed—October 1st, 1936



Membership in the Royal Agricultural Winter Fair Association includes approximately 240 representatives of the Dominion and Provincial Governments, the City of Toronto, agricultural and livestock associations, meat packing and other industries in Canada.

The Fair, held annually in November, is recognized as one of the most outstanding Exhibitions of agricultural and pure-bred livestock, and its entries, which since 1922 have averaged 14,000 yearly, have a widespread national and international character. The prize list approximates \$100,000 annually, and attendance for the eight days ranges between 150,000 and 180,000. The several permanent buildings—erected at a cost of \$3½ millions—are admirably designed and equipped, occupying a floor area of 25 acres.

The Royal Horse Show is held in the vast arena of the Royal Coliseum (completed in 1922) with accommodation for 10,000 spectators. The Livestock Buildings (completed in 1927) house 2,000 cattle, 2,000 sheep, 1,500 swine, and 8,000 head of poultry. The Equerry Building (completed in 1931) has stalls for 1,200 horses, and there are several extensive subdivisions for general agricultural exhibits.

City of Toronto debentures were issued from time to time to cover the cost of the various buildings, the relative principal and interest charges being met in the City's General Tax Rate and by annual grants of the Dominion and Ontario Governments.

ROYAL AGRICULTURAL WINTER FAIR—CITY'S ACCOUNT
(COLISEUM AND LIVESTOCK BUILDINGS)

For the Year Ended December 31st, 1938

	Dr.		Cr.
Coliseum and Livestock Buildings:		Sundry Rentals (including \$12,000 from C.N. Exhibition for use of Coliseum)....	\$ 17,623.69
Maintenance.....	\$ 14,845.96	Annual grants contributed through the "Royal" by Dom. and Prov. Govts., (\$35,000 each) on Livestock Building.....	70,000.00
Debt Charges.....	155,347.50	Net cost of buildings to City for 1938.....	82,569.77
	\$170,193.46		\$170,193.46

Note:—The above statement represents the net cost to the City of maintenance and debt charges re the Coliseum and Livestock Buildings but does not reflect the results of general operations of the Royal Winter Fair Association towards which the City makes no contribution.

FUNDED DEBT—December 31st, 1938

Gross Funded Debt—Serial Instalment Debentures.....	\$1,205,978.42
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TORONTO MUNICIPAL ABATTOIR AND COLD STORAGE

EARL E. HUNT—COMMISSIONER

Appointed—May 15th, 1933



This service was inaugurated August 4th, 1914, to the end that the many small slaughter houses located throughout the City at that time might be eliminated, together with their attendant disagreeable features, and that the slaughtering of food animals could be centralized in a modern sanitary building, and all products more readily and efficiently inspected under the Meat and Canned Foods Act, supervised by the Dominion Government Department of Agriculture.

The large cold storage plant is at the service of the citizens at all times, and food products in any quantity are accepted for storage at reasonable rates.

MUNICIPAL ABATTOIR PROFIT AND LOSS

For the Year Ended December 31st, 1938

	Dr.		Cr.
Operation and Maintenance.....	\$ 89,245.09	Gross profit on merchandise sold, killing, cooler and cold storage charges, rentals, etc.....	\$109,104.08
Debt Charges.....	17,865.34		
Surplus for year.....	1,993.65		
	<u>\$109,104.08</u>		<u>\$109,104.08</u>

FUNDED DEBT—December 31st, 1938

Gross Funded Debt re Abattoir.....	\$279,917.71
<u>Deduct: Sinking Fund on hand for redemption of debt.....</u>	<u>168,161.91</u>
Net Funded Debt.....	<u>\$111,755.80</u>

WATERWORKS

The waterworks system has been municipally owned and operated since 1873. The administration, operation and property of the system are under the control of the Commissioner of Works, while the financing and the collection of revenue are directed by the Commissioner of Finance. All maintenance and operating charges and all debt charges (principal instalments, sinking fund levies and interest) are provided from revenues derived and the annual surpluses are applied in abatement of the current tax levy.

WATERWORKS REVENUE AND EXPENSE

For the Year Ended December 31st, 1938

	Dr.		Cr.
Operation and Maintenance.....	\$1,250,097.33	Water Rates:	
Rating and Revenue Collection.....	132,138.10	Water Takers.....	\$3,100,842.76
Debt Charges.....	1,821,711.83	City Service.....	217,526.85
Surplus for Year (See Note below).....	118,114.45	(See note below)	
	\$3,322,061.71	Sundry Rentals.....	3,692.10
			\$3,322,061.71
Surplus transferred to General Account.....	\$ 118,812.45	Surplus for year brought down.....	\$ 118,114.45
		Reserve for deferred expenditure brought forward from 1937.....	698.00
	\$ 118,812.45		\$ 118,812.45

Note:—Water Supply Charge for Fire Protection reduced in 1938 to \$161,160 from \$992,800 charge in former years (basis altered) and Waterworks revenue and surplus therefore reduced correspondingly.

FUNDED DEBT—December 31st, 1938

Gross Funded Debt re Waterworks Plants, Mains, etc.....	\$24,313,332.02
Deduct: Sinking Fund on hand for redemption of debt.....	5,124,151.55
Net Funded Debt.....	\$19,189,180.47

ISLAND FERRY SERVICE

The ferry boat service, acquired by the City in 1926, operates between the mainland and Toronto Island. With the exception of a small portion owned by the Dominion Government, the City owns all the land on the Island. This land is chiefly devoted to park purposes, but a substantial amount is rented to cottagers under long term leases. The Service is operated for the City by the Toronto Transportation Commission as Trustees, but its finances form no part of the general transportation and bus system's accounts. In 1938, the deficit, or net cost to the City, amounted to \$37,773, of which \$28,015 was for maintenance and other charges and \$9,758 was for principal and interest charges incidental to City debentures issued in 1936 for the purchase of a new ferry boat.

METROPOLITAN RADIAL RAILWAY

(Service discontinued in March, 1930)

The abandonment of this line relieved the City of the annual operating deficit, but interest and principal charges will have to be met until 1940 on debentures issued for the acquisition of the property. Funds derived from the liquidation of assets are applied in the abatement of these debt charges. The net cost to the City in 1938 was \$219,919.

TORONTO HOUSING COMMISSION

In 1919, in order to relieve the housing shortage following the Great War the City built and sold about 240 houses; the purchasers paying 10% cash and the balance monthly over twenty years. The necessary funds for construction were raised by an issue of twenty-year 6% serial instalment debentures. The annual debt charges, which amounted to \$73,935 in 1938, are payable until 1940. These debt charges are met by the purchasers, with the exception of an amount representing the difference between the interest cost of the funds to the City and the interest charged to the purchasers. The net cost to the City in 1938 was \$7,252. (See City of Toronto Balance Sheet, p. 32, for Capital Advances to Commission).

TORONTO HARBOUR COMMISSIONERS

Commissioners (As on December 31st, 1938)

J. E. GANONG, ESQ., CHAIRMAN

W. H. BOSLEY, ESQ.

B. J. MILLER, ESQ.

P. J. MULQUEEN, ESQ.

THOMAS RENNIE, ESQ.



E. L. COUSINS, ESQ., C.E., GENERAL MANAGER

Appointed—September 19th, 1935

F. R. SCANDRETT, ESQ., SECRETARY



The Toronto Harbour Commissioners' Act (1911), a special statute of the Dominion Government, provides for the appointment of five Commissioners to administer and develop the Port and Harbour of Toronto and the waterfront properties deeded to them by the City. Of the five Commissioners, three are appointed by the City Council and two by the Dominion Government, one of the latter upon the recommendation of the Toronto Board of Trade. The statute authorizes the Commissioners to borrow money by the issuance of debentures for the purposes of reclamation work and general improvements.

Special statutes of the Province of Ontario Legislature (1911 and 1913) authorize the City to guarantee all debentures issued by the Harbour Commissioners. Before doing so, however, the City Council requires that the capital expenditures involved shall meet with its approval.

During the period 1913-1926, the Commissioners issued \$25,000,000. 4½% debentures due September 1st, 1953, guaranteed by the City of Toronto and secured by a Deed of Trust which included provision for (a) a sinking fund levy sufficient to retire 50% of the issue at maturity and (b) the "calling" of the debentures for redemption at 105, upon three months' notice.

The operation of the Sinking Fund resulted in the redemption of \$5,550,000. of the issue. In November, 1936, the Commissioners "called" the outstanding balance, \$19,450,000, for redemption on March 1st, 1937. Of this amount \$482,000. was "called" for sinking fund requirements and \$18,968,000. for conversion into lower coupon debt consisting of (a) \$20,456,000. 2%, 2½% and 3% debentures (issued in February, 1937), of which \$7,956,000. matures in annual instalments of \$468,000. 1937-1953, \$5,000,000. matures in 1942 and \$7,500,000. in 1947, and (b) \$650,000. 3½% debentures (issued in December, 1937) maturing in 1947. In addition, an issue of approximately \$85,000. will be required to complete the redemption of the 4½% debentures, \$9,000. of which have not yet been presented for payment. It is estimated this conversion will effect a reduction of \$2,149,000. in total principal and interest payments over the period 1937-1953.

The balance of the debenture debt totalling \$3,625,000. consists of \$2,000,000. 5% debentures, due September 1st, 1953, issued in 1930; \$1,000,000. 4½% debentures, due September 1st, 1953, issued in 1933; and \$625,000. 2½% debentures, due June 1st, 1940, issued in 1935.

In addition to the expenditure financed by the issuance of these debentures the Dominion Government has expended approximately \$10,850,000. to December 31st, 1938, upon the development of Port facilities, dredging and shore protection.

The City, under its guarantee, has met or made provision to meet debt charges of \$11,587,160. up to December 31st, 1938 (including \$644,930. for 1938) by current tax levies and will continue this policy so long as Harbour revenues are insufficient to meet such obligations; however, from 1912 to 1938, inclusive, the City received taxes from the occupied harbour properties amounting to \$8,876,971. and, in addition, The Toronto Harbour Commissioners, during the same period, paid local improvement taxes on unoccupied Harbour properties totalling \$1,873,103.

The assessed value of the occupied Harbour properties increased from \$1,976,804. in 1912 to \$21,601,921. in 1938. The value of land and buildings (including leased lands) is approximately \$33,000,000. Ninety-three establishments are now located in the Harbour Industrial Areas and have invested upwards of \$38,600,000. in lands, buildings and equipment.

Continued on next page

Disposition of Harbour Lands as of December 31st, 1938				Waterborne Trade of Toronto Harbour, 1930-1938	
Description	Commercial and Industrial Acres	Park and Recreational Acres	Total Acres	Year	Annual Tonnage
					<u>Tons</u>
Leased and/or sold.....	506	.....	506	1930	1,292,864
Streets, Roads, Boulevard Drive, etc....	163	21	184	1931	2,122,066
Railway Reservations, Docks, etc.....	33	.....	33	1932	2,270,445
Available for Lease and/or Sale.....	417	.....	417	1933	2,500,100
Park Lands.....	.....	101	101		
Island Reclamation.....	.....	91	91	1934	3,125,144
Improved Waterways.....	156	144	300	1935	3,020,130
Undeveloped Areas.....	506	27	533	1936	3,382,830
				1937	3,708,201
				1938	3,801,025
Totals.....	1,781	384	2,165	NOTE: In 1931 the new Welland Ship Canal operated for its first full season.	

TORONTO ISLAND AND MALTON AIRPORTS

In 1937 the City decided to establish two Municipal Airports: (a) a combined airport and seaplane base on Toronto Island, and (b) an all-weather airport at Malton, approximately 17 miles northwesterly from the City, the construction work and administration of the airports to be conducted by the Toronto Harbour Commissioners. The estimated expenditures for the two City Airports total \$1,886,780., of which the City of Toronto contributed \$986,780. and the Dominion and Provincial Governments \$450,000. each.

The Island Airport, comprising 176 acres, has four flightways 3,000 feet long and 500 feet wide, provision having been made to extend one runway to 4,000 feet, and two others to 5,000 feet as conditions require. The Administration Building, admirably equipped, and also a modern hanger, 120 feet by 160 feet, seaplane ramp and passenger float have been completed this year.

The Malton Airport, comprising 1,444 acres, acquired for airport and zoning purposes, the objective being to use zone controlled areas for industrial development. The airport proper comprises 700 acres with three flightways at the present time 3,000 feet long with provision for additional flightways 9,000 feet long and 1,000 feet wide, and is equipped with modern lighting system, meteorological offices, radio, etc. In November, 1938, the Department of Transport leased the Airport Field from the City, at a nominal rental, for two years, assuming the operating costs thereof.

The Malton Airport is on the main Trans-Canada Air Lines route between Montreal, Toronto, Winnipeg, Vancouver, Eastward and Westward mail and express planes touching daily at the Airport. The Trans-Canada Air Lines has erected a modern hangar upon 2½ acres in the zone controlled area.

The National Steel Car Corporation, Limited, of Hamilton, purchased 33.15 acres on which an aircraft factory has been erected at a cost of \$600,000. which already employs 400 persons and they have purchased an additional 24.68 acres upon which an extension to the plant is under construction to cost a further \$600,000; they have also purchased another 49.8 acres for further use.

The Canadian Associated Aircraft Limited have purchased 15.29 acres upon which an assembly building will be erected, the first unit of which is estimated to cost \$300,000.

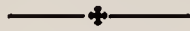
TORONTO HYDRO-ELECTRIC SYSTEM

Commissioners

JOSEPH GIBBONS, ESQ., CHAIRMAN

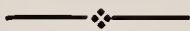
KENNETH A. CHRISTIE, ESQ., K.C.

RALPH C. DAY, ESQ. (MAYOR)



E. M. ASHWORTH, ESQ., GENERAL MANAGER

Appointed—April, 1924



The Toronto Hydro-Electric System is owned by the City of Toronto, and operated by qualified executives under the direction of the Toronto Electric Commissioners, a body composed of three members—an appointee of the City Council, an appointee of the Hydro-Electric Power Commission of Ontario, and the Mayor (ex-officio member). Power is purchased from the Hydro-Electric Power Commission of Ontario, and in turn sold to consumers for residential, commercial and industrial purposes.

Capital expenditures, after approval by the Hydro-Electric Power Commission of Ontario and by the City Council, are financed by the issue of City of Toronto debentures or by the reinvestment of reserves. The total debentures issued up to December 31st, 1938, amounted to \$34,583,000, of which \$14,363,360 have been redeemed at or before maturity. In addition, funds to the amount of \$7,709,153 have been deposited with the City Treasurer for the retirement of Sinking Fund debentures at maturity, making the net debenture debt of the System, as at December 31st, 1938, \$12,510,487.

The System has also paid over to the City Treasurer \$159,000 to meet debentures due January 1st, 1939, and at December 31st, 1938, had provided funds to the amount of \$545,745 for unmatured debt redemption.

In addition to the capital expenditures financed by the issuance of the above debentures the Commissioners have reinvested reserves and surplus in further extensions and improvements to the System with the result that Fixed Assets as at December 31st, 1938, amounted to \$44,424,733.

The System has always been self-supporting and while it does not operate as a profit-creating organization, the rates are designed with a view to stability. During the entire period since the commencement of operations in 1911, the System has met all debt charges (principal instalments, sinking fund levies and interest), and after providing for the replacement of all equipment at the end of its useful lifetime, a moderate surplus has resulted.

The rates charged for lighting and power (including industrial electric heating) are among the lowest on this continent, the average cost to the consumer for lighting purposes in 1938 being 1.36 cents per Kilowatt hour and for industrial power purposes \$23.06 per horsepower.

See next page for Statements (a) Balance Sheet and (b) Electrical Power Consumed in 1938.

TORONTO HYDRO-ELECTRIC SYSTEM
CONDENSED BALANCE SHEET AS AT DECEMBER 31st, 1938

ASSETS		LIABILITIES	
Fixed Assets	\$44,424,733.01	Net Funded Debt:	
<i>Transmission and Distribution Systems, Lands, Buildings, etc.</i>		Debentures issued by City of Toronto less amount redeemed to date and Sinking Fund on hand \$12,510,487.55	
Current Assets	4,542,663.93	Less: Instalments due 1st January, 1939, and paid to City 31st December, 1938.....	159,000.00
<i>Stores and Appliances, Accounts Receivable, Cash on Hand and in Banks.</i>			\$12,351,487.55
		Current Liabilities	1,462,512.79
		<i>Accounts Payable, Interest Accrued.</i>	
		Capital Reserves:	
		Depreciation.....	\$9,398,914.07
		<i>Reserved for Replacement of Fixed Assets.</i>	
		Reserve re Debt Redemption.....	22,525,750.45
			31,924,664.52
		Operating Reserves and Surplus	3,228,732.08
		<i>Reserved for Workmen's Compensation, Public Liability, etc.</i>	
	\$48,967,396.94		\$48,967,396.94
Interest in Hydro-Electric Power Commission	16,197,463.50	Interest in Hydro-Electric Power Commission	16,197,463.50
<i>Sinking Fund Equity in Hydro-Electric Power Commission of Ontario.</i>		<i>Reserve for Sinking Fund Equity in Hydro-Electric Power Commission of Ontario.</i>	
TOTAL ASSETS	\$65,164,860.44	TOTAL LIABILITIES	\$65,164,860.44

DISTRIBUTION OF ENERGY CONSUMED IN 1938

	Kilowatt Hours
Commercial Power.....	368,000,000
Residential Lighting.....	349,000,000
Commercial Lighting.....	175,000,000
Street Railway.....	87,000,000
Municipal (including Street Lighting and Waterworks).....	77,000,000
Total Current Consumed	1,056,000,000

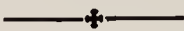
TORONTO TRANSPORTATION COMMISSION

Commissioners

WM. C. McBRIEN, ESQ., CHAIRMAN

S J. McMASTER, ESQ., VICE-CHAIRMAN

F. L. HUBBARD, ESQ.



H. C. PATTEN, ESQ., GENERAL MANAGER

Appointed—December 20th, 1938

After a prolonged illness, Mr. D. W. Harvey, General Manager of the Toronto Transportation Commission, died on December 6th, 1938. During his tenure of office for fourteen years, Mr. Harvey's indefatigable efforts and conspicuous ability as an Engineer and Executive official contributed very materially to the widely recognized efficiency and success of the T.T.C.

By a special Act of the Ontario Legislature in 1920; (a) The City of Toronto was empowered to transfer, by by-law, the control, maintenance, operation, and management of all transportation facilities owned or acquired by the City to the Toronto Transportation Commission; (b) such Commission to be composed of three Commissioners appointed by the City Council for a period of at least three years, members of Council not being eligible for appointment; (c) and fares must be sufficient to make all transportation facilities self-sustaining after providing for maintenance, renewals, depreciation and debt charges.

In 1921 at the expiration of the franchise, the City acquired the assets of the Toronto Railway Company, and upon authority of the above Act transferred control of this property and other City-owned car lines to the Toronto Transportation Commission.

Capital requirements for buildings, equipment and extensions, after approval by the City Council, are provided by the issue of City of Toronto Debentures, but since 1924 all new capital expenditures have been provided by reinvestment of the earned reserves of the Commission. The following debenture debt has been issued to date for transportation purposes, the debt charges on which are met by the Commission:

Year of Issue	Purpose of Issue	Amount Issued
1911-1917	Construction and Equipment of Civic Car Lines.....	\$ 2,502,341
1921-1924	Acquisition of assets of Toronto Railway Company; and rehabilitation and extension of unified System	39,874,000
1922-1927	Radial Railways.....	1,686,000
	Original Amount of Debentures Issued.....	\$44,062,341
	Deduct: Debentures redeemed at maturity and before maturity.....	20,692,341
	Gross Debenture Debt December 31st, 1938.....	\$23,370,000
	Deduct: Sinking Funds held by City Treasurer (invested in City of Toronto Debentures).....	*720,414
	Net Debenture Debt as at December 31st, 1938.....	\$22,649,586

*Additional funds of \$680,438 for redemption of debt due in 1939 (accrued) had been provided by the Commission.

Continued on next page

Further extensions have been financed by the reinvestment of reserves, with the result that land, buildings, rolling stock and other fixed assets had an aggregate value of \$56,790,885 as at December 31st, 1938. In this total is included \$2,735,415, the value of motor coaches and other fixed assets of the Gray Coach Lines Limited, a fully-owned subsidiary of the Commission, operating in the City and to surrounding communities. At the present time the Commission owns 245 miles of track, 926 rail passenger cars, 243 buses and motor coaches, 80 rail service cars and 43 motor service vehicles.

<div>TORONTO TRANSPORTATION COMMISSION</div> <div>CONDENSED BALANCE SHEET AS AT DECEMBER 31st, 1938</div>			
ASSETS		LIABILITIES	
Fixed Assets	\$56,790,885.26	Net Funded Debt	\$22,649,585.95
<i>Trackwork, Rolling Stock, Electrical System, Motor Buses, Land, Buildings, Franchise Values, etc.</i>		<i>Debentures issued by City of Toronto less amount redeemed to date and Sinking Fund on deposit with the City Treasurer.*</i>	
		Current Liabilities	586,058.62
		<i>Accounts Payable, Interest Accrued.</i>	
Invested Funds	1,612,470.64	Capital Reserves	
<i>Government and Municipal Bonds owned.</i>		Debt Redemption.....	\$20,014,194.58
		Depreciation.....	14,136,964.47
		<i>Additional to that provided for by debt redemption.</i>	
Current and Working Assets	*1,798,446.02	Exchange Premium Reserve.....	490,020.00
<i>Cash, Advances to Conductors and Agents, Accounts Receivable, Stores and Pre-paid Expenses.</i>			34,641,179.05
		Operating Reserves and Surplus	2,324,978.30
		<i>Reserved for Workmen's Compensation and Public Liability, etc.</i>	
TOTAL ASSETS	\$60,201,801.92	TOTAL LIABILITIES	\$60,201,801.92

* \$680,438.20 funds provided for accrued portion of debt due in 1939 are included in Current Assets and are in addition to Sinking Funds on deposit with City Treasurer.

The Commission has a modern system of transportation with the latest type of steel cars, completely equipped car houses and shops for repair and maintenance, and many miles of new or completely rebuilt track; has adequately provided for depreciation and reserves for all operating contingencies; and has met all debt charges (principal instalments, sinking fund levies and interest charges) on debenture debt. This very satisfactory record has been accomplished on an average fare of slightly over 6 cents (with free transfer privileges), one of the lowest on this continent for cities of over 50,000 population. While revenue has decreased since 1929, a reflection of the world-wide economic depression, the Commission has been able, by effecting a material reduction in operating expenditures, to maintain its strong financial position without impairment of the high operating standard of the System.

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